

108TH CONGRESS
1ST SESSION

S. 1627

To reauthorize the Workforce Investment Act of 1998, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 17, 2003

Mr. ENZI (for himself, Mr. KENNEDY, Mr. GREGG, and Mrs. MURRAY) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To reauthorize the Workforce Investment Act of 1998, and
for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Workforce Investment
5 Act Amendments of 2003”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents of this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. References.

TITLE I—AMENDMENTS TO TITLE I OF THE WORKFORCE
INVESTMENT ACT OF 1998

Subtitle A—Definitions

Sec. 101. Definitions.

Subtitle B—Statewide and Local Workforce Investment Systems

- Sec. 111. Purpose.
- Sec. 112. State workforce investment boards.
- Sec. 113. State plan.
- Sec. 114. Local workforce investment areas.
- Sec. 115. Local workforce investment boards.
- Sec. 116. Local plan.
- Sec. 117. Establishment of one-stop delivery systems.
- Sec. 118. Eligible providers of training services.
- Sec. 119. Eligible providers of youth activities.
- Sec. 120. Youth activities.
- Sec. 121. Adult and dislocated worker employment and training activities.
- Sec. 122. Performance accountability system.
- Sec. 123. Authorization of appropriations.

Subtitle C—Job Corps

Sec. 131. Job Corps.

Subtitle D—National Programs

- Sec. 141. Native American programs.
- Sec. 142. Migrant and seasonal farmworker programs.
- Sec. 143. Veterans' workforce investment programs.
- Sec. 144. Youth challenge grants.
- Sec. 145. Technical assistance.
- Sec. 146. Demonstration, pilot, multiservice, research, and multistate projects.
- Sec. 147. National dislocated worker grants.
- Sec. 148. Authorization of appropriations for national activities.

Subtitle E—Administration

- Sec. 151. Requirements and restrictions.
- Sec. 152. Cost principles.
- Sec. 153. Reports.
- Sec. 154. Administrative provisions.
- Sec. 155. Use of certain real property.

TITLE II—AMENDMENTS TO THE ADULT EDUCATION AND FAMILY LITERACY ACT

- Sec. 201. Short title; purpose.
- Sec. 202. Definitions.
- Sec. 203. Authorization of appropriations.
- Sec. 204. Reservation of funds; grants to eligible agencies; allotments.
- Sec. 205. Performance accountability system.
- Sec. 206. State administration.
- Sec. 207. State distribution of funds; matching requirement.
- Sec. 208. State leadership activities.
- Sec. 209. State plan.
- Sec. 210. Programs for corrections education and other institutionalized individuals.
- Sec. 211. Grants and contracts for eligible providers.

- Sec. 212. Local application.
- Sec. 213. Local administrative cost limits.
- Sec. 214. Administrative provisions.
- Sec. 215. National Institute for Literacy.
- Sec. 216. National leadership activities.
- Sec. 217. Integrated English literacy and civics education.
- Sec. 218. Transition.

TITLE III—AMENDMENTS TO OTHER PROVISIONS OF LAW

- Sec. 301. Wagner-Peyser Act.

TITLE IV—REHABILITATION ACT AMENDMENTS

- Sec. 401. Short title.
- Sec. 402. Technical amendments to table of contents.
- Sec. 403. Purpose.
- Sec. 404. Definitions.
- Sec. 405. Administration of the Act.
- Sec. 406. Carryover.

Subtitle A—Vocational Rehabilitation Services

- Sec. 411. Declaration of policy; authorization of appropriations.
- Sec. 412. State plans.
- Sec. 413. Eligibility and individualized plan for employment.
- Sec. 414. Vocational rehabilitation services.
- Sec. 415. State rehabilitation council.
- Sec. 416. Evaluation standards and performance indicators.
- Sec. 417. State allotments.
- Sec. 418. Client assistance program.
- Sec. 419. Incentive grants.
- Sec. 420. Vocational rehabilitation services grants.
- Sec. 421. GAO studies.

Subtitle B—Research and Training

- Sec. 431. Authorization of appropriations.
- Sec. 432. National Institute on Disability and Rehabilitation Research.
- Sec. 433. Research and other covered activities.
- Sec. 434. Rehabilitation research advisory council.

Subtitle C—Professional Development and Special Projects and Demonstrations

- Sec. 441. Training.
- Sec. 442. Demonstration and training programs.
- Sec. 443. Migrant and seasonal farmworkers.
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- Sec. 451. Authorization of appropriations.

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- Sec. 461. Architectural and transportation barriers compliance board.
- Sec. 462. Protection and advocacy of individual rights.

Subtitle F—Employment Opportunities for Individuals With Disabilities

Sec. 471. Projects with industry authorization of appropriations.

Sec. 472. Services for individuals with significant disabilities authorization of appropriations.

Subtitle G—Independent Living Services and Centers for Independent Living

Sec. 481. State plan.

Sec. 482. Statewide independent living council.

Sec. 483. Independent living services authorization of appropriations.

Sec. 484. Program authorization.

Sec. 485. Grants to centers for independent living in States in which Federal funding exceeds State funding.

Sec. 486. Grants to centers for independent living in States in which State funding equals or exceeds Federal funding.

Sec. 487. Standards and assurances for centers for independent living.

Sec. 488. Centers for independent living authorization of appropriations.

Sec. 489. Independent living services for older individuals who are blind.

Sec. 490. Program of grants.

Sec. 491. Independent living services for older individuals who are blind authorization of appropriations.

Subtitle H—Miscellaneous

Sec. 495. Helen Keller National Center Act.

TITLE V—TRANSITION AND EFFECTIVE DATE

Sec. 501. Transition provisions.

Sec. 502. Effective date.

1 SEC. 3. REFERENCES.

2 Except as otherwise expressly provided, wherever in
 3 this Act an amendment or repeal is expressed in terms
 4 of an amendment to, or repeal of, a section or other provi-
 5 sion, the amendment or repeal shall be considered to be
 6 made to a section or other provision of the Workforce In-
 7 vestment Act of 1998 (29 U.S.C. 2801 et seq.).

1 **TITLE I—AMENDMENTS TO**
 2 **TITLE I OF THE WORKFORCE**
 3 **INVESTMENT ACT OF 1998**
 4 **Subtitle A—Definitions**

5 **SEC. 101. DEFINITIONS.**

6 Section 101 (29 U.S.C. 2801) is amended—

7 (1) by striking paragraph (24);

8 (2) by redesignating paragraphs (1) through
 9 (4), (5) through (16), (17), (18) through (23), (25)
 10 through (41), and (42) through (53) as paragraphs
 11 (2) through (5), (7) through (18), (20), (23)
 12 through (28), (29) through (45), and (47) through
 13 (58), respectively;

14 (3) by inserting before paragraph (3) (as redес-
 15 ignated by paragraph (2)) the following:

16 “(1) ACCRUED EXPENDITURES.—The term ‘ac-
 17 crued expenditures’ means charges incurred by re-
 18 cipients of funds under this title for a given period
 19 requiring the provision of funds for—

20 “(A) goods or other tangible property re-
 21 ceived;

22 “(B) services performed by employees, con-
 23 tractors, subgrantees, subcontractors, and other
 24 payees; and

1 “(C) other amounts becoming owed under
 2 programs assisted under this title for which no
 3 current services or performance is required,
 4 such as annuities, insurance claims, and other
 5 benefit payments.

6 (4) in paragraph (2) (as redesignated by para-
 7 graph (2)), by striking “Except in sections 127 and
 8 132,” and inserting “Except in section 132,”;

9 (5) by inserting after paragraph (5) (as redesign-
 10 nated by paragraph (2)) the following:

11 “(6) BUSINESS INTERMEDIARY.—The term
 12 ‘business intermediary’ means an entity that brings
 13 together various stakeholders with an expertise in an
 14 industry or business sector.”;

15 (6) in paragraph (9) (as redesignated by para-
 16 graph (2)), by inserting “, including a faith-based
 17 organization,” after “nonprofit organization”;

18 (7) in paragraph (10) (as redesignated by para-
 19 graph (2))—

20 (A) in subparagraph (B), by striking
 21 “and” after the semicolon;

22 (B) in subparagraph (C)—

23 (i) by striking “not less than 50 per-
 24 cent of the cost of the training” and in-
 25 serting “a significant portion of the cost of

1 training as determined by the local board,
 2 taking into account the size of the em-
 3 ployer and such other factors as the local
 4 board determines to be appropriate”; and

5 (ii) by striking the period and insert-
 6 ing “; and”; and

7 (C) by adding at the end the following:

8 “(D) for customized training with employ-
 9 ers in various parts of the State, a significant
 10 portion of the cost of the training, as deter-
 11 mined by the Governor, taking into account the
 12 size of the employer and such other factors as
 13 the Governor determines appropriate.”;

14 (8) in paragraph (11) (as redesignated by para-
 15 graph (2))—

16 (A) in subparagraph (A)(ii)(II), by striking
 17 “section 134(c)” and inserting “section
 18 121(e)”;

19 (B) in subparagraph (C), by striking “or”
 20 after the semicolon;

21 (C) in subparagraph (D), by striking the
 22 period and inserting “; or”; and

23 (D) by adding at the end the following:

24 “(E)(i) is a member of the Armed Forces
 25 on active duty, who has been involuntarily sepa-

rated with an honorable discharge, from the Armed Forces, or who has received notice of such separation;

“(ii) is the spouse or adult dependent of a member of the Armed Forces who has experienced the loss of employment as a direct result of relocation to accommodate a change in duty station of such member; or

“(iii) is the spouse of a member of the Armed Forces on active duty who meets the criteria described in paragraph (13)(B).”;

(9) in paragraph (12)(A) (as redesignated by paragraph (2))—

(A) by striking “and” after the semicolon and inserting “or”;

(B) by striking “(A)” and inserting “(A)(i)”; and

(C) by adding at the end the following:

“(ii) is the dependent spouse of a member of the Armed Forces, whose family income is significantly reduced because of a deployment, an activation, a transfer of duty station, or the service-connected death or disability of the spouse; and”;

(10) in paragraph (14)(A) (as redesignated by paragraph (2)), by striking “section 122(e)(3)” and inserting “section 122”;

(11) by inserting after paragraph (18) (as redesignated by paragraph (2)) the following:

“(19) **HARD-TO-SERVE POPULATIONS.**—The term ‘hard-to-serve populations’ means populations of individuals who are hard-to-serve, including displaced homemakers, low-income individuals, Native Americans, individuals with disabilities, older individuals, ex-offenders, homeless individuals, individuals with limited English proficiency, individuals who do not meet the definition of literacy in section 203, individuals facing substantial cultural barriers, migrant and seasonal farmworkers, individuals within 2 years of exhausting lifetime eligibility under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), and such other groups as the Governor determines to be hard-to-serve.”;

(12) by inserting after paragraph (20) (as redesignated by paragraph (2)) the following:

“(21) **INTEGRATED TRAINING PROGRAM.**—The term ‘integrated training program’ means a program that combines occupational skills training with language acquisition.

1 “(22) INSTITUTION OF HIGHER EDUCATION.—

2 The term ‘institution of higher education’ has the
3 meaning given the term in section 102(a)(1) (A) and
4 (B) of the Higher Education Act of 1965 (20 U.S.C.
5 1002(a)(1)).”;

6 (13) in paragraph (29) (as redesignated by
7 paragraph (2))—

8 (A) in subparagraph (B), by striking
9 “higher of—” and all that follows through
10 “level, for an equivalent period” and inserting
11 “poverty line for an equivalent period”;

12 (B) by redesignating subparagraphs (D)
13 through (F) as subparagraphs (E) through (G),
14 respectively; and

15 (C) by inserting after subparagraph (C)
16 the following:

17 “(D) receives or is eligible to receive a free
18 or reduced price lunch under the Richard B.
19 Russell National School Lunch Act (42 U.S.C.
20 1751 et seq.);”;

21 (14) in paragraph (34) (as redesignated by
22 paragraph (2)), by inserting “, subject to section
23 121(b)(1)(C)” after “121(b)(1)”;

24 (15) by striking paragraph (37) (as redesign-
25 ated by paragraph (2)) and inserting the following:

1 “(37) OUT-OF-SCHOOL YOUTH.—The term ‘out-
2 of-school youth’ means an out-of-school youth as de-
3 fined in section 129(a)(1)(B).”;

4 (16) in paragraph (45) (as redesignated by
5 paragraph (2)), by striking “, and the term means
6 such Secretary for purposes of section 503”;

7 (17) by inserting after paragraph (45) (as re-
8 designated by paragraph (2)) the following:

9 “(46) SELF-SUFFICIENCY.—The term ‘self-suf-
10 ficiency’ has the meaning given the term in section
11 134(a)(3)(A)(4)(x) and section 134(e)(1)(A)(ix).”;

12 (18) in paragraph (48) (as redesignated by
13 paragraph (2)), by striking “clause (iii) or (v) of
14 section 136(b)(3)(A)” and inserting “section
15 136(b)(3)(A)(iii)”;

16 (19) in paragraph (57) (as redesignated by
17 paragraph (2)), by striking “(or as described in sec-
18 tion 129(c)(5))” and inserting “(or as described in
19 section 129(a)(2))”; and

20 (20) in paragraph (58) (as redesignated by
21 paragraph (2)), by striking “established under sec-
22 tion 117(h)” and inserting “that may be established
23 under section 117(h)(2)”.

1 **Subtitle B—Statewide and Local**
2 **Workforce Investment Systems**

3 **SEC. 111. PURPOSE.**

4 Section 106 (29 U.S.C. 2811) is amended to read as
5 follows:

6 **“SEC. 106. PURPOSES.**

7 “The purposes of this subtitle are the following:

8 “(1)(A) Primarily, to provide workforce invest-
9 ment activities, through statewide and local work-
10 force investment systems, that increase the employ-
11 ment, retention, self-sufficiency, and earnings of
12 participants, and increase occupational skill attain-
13 ment by participants.

14 “(B) As a result of the provision of the activi-
15 ties, to improve the quality of the workforce, reduce
16 welfare dependency, increase self-sufficiency, and en-
17 hance the productivity and competitiveness of the
18 Nation.

19 “(2) To enhance the workforce investment sys-
20 tem of the Nation by strengthening one-stop centers,
21 providing for more effective governance arrange-
22 ments, promoting access to a more comprehensive
23 array of employment and training and related serv-
24 ices, establishing a targeted approach to serving

1 youth, improving performance accountability, and
2 promoting State and local flexibility.

3 “(3) To provide workforce investment activities
4 in a manner that promotes the informed choice of
5 participants and actively involves participants in de-
6 cisions affecting their participation in such activities.

7 “(4) To provide workforce investment systems
8 that are demand-driven and responsive to the needs
9 of all employers, including small employers.

10 “(5) To provide workforce investment systems
11 that work in all areas of the Nation, including urban
12 and rural areas.

13 “(6) To allow flexibility to meet State, local, re-
14 gional, and individual workforce investment needs.

15 “(7) To recognize and reinforce the vital link
16 between economic development and workforce invest-
17 ment activities.

18 “(8) To provide for accurate data collection, re-
19 porting, and performance measures that are not un-
20 duly burdensome.

21 “(9) To address the ongoing shortage of essen-
22 tial skills in the United States workforce related to
23 both manufacturing and knowledge-based economies
24 to ensure that the United States remains competi-
25 tive in the global economy.

1 “(10) To equip workers with higher skills and
2 contribute to lifelong education.

3 “(11) To eliminate training disincentives for
4 hard-to-serve populations and minority workers, in-
5 cluding effectively utilizing community programs,
6 services, and agencies.

7 “(12) To educate limited English proficient in-
8 dividuals about skills and language so the individ-
9 uals are employable.

10 “(13) To increase the employment, retention
11 and earnings of individuals with disabilities.”.

12 **SEC. 112. STATE WORKFORCE INVESTMENT BOARDS.**

13 (a) MEMBERSHIP.—

14 (1) IN GENERAL.—Section 111(b) (29 U.S.C.
15 2821(b)) is amended—

16 (A) in paragraph (1), by striking subpara-
17 graph (C) and inserting the following:

18 “(C) representatives appointed by the Gov-
19 ernor, who—

20 “(i) are the lead State agency officials
21 with responsibility for the programs and
22 activities that are described in section
23 121(b) and carried out by one-stop part-
24 ners, except that—

1 “(I) in any case in which no lead
2 State agency official has responsibility
3 for such a program or activity, the
4 representative shall be a representa-
5 tive in the State with expertise relat-
6 ing to such program or activity; and

7 “(II) in the case of the programs
8 authorized under title I of the Reha-
9 bilitation Act of 1973, the representa-
10 tive shall be the head of the des-
11 ignated State unit, as defined in sec-
12 tion 7 of the Rehabilitation Act of
13 1973 (29 U.S.C. 705);

14 “(ii) are the State agency officials re-
15 sponsible for economic development;

16 “(iii) are representatives of all busi-
17 ness in the State, including small busi-
18 nesses, who—

19 “(I) are owners of businesses,
20 chief executive or operating officers of
21 businesses, or other business execu-
22 tives or employers with optimum pol-
23 icymaking or hiring authority;

24 “(II) represent businesses with
25 employment opportunities that reflect

1 employment opportunities in the
2 State; and

3 “(III) are appointed from among
4 individuals nominated by State busi-
5 ness organizations, business trade as-
6 sociations, and local boards;

7 “(iv) is a chief elected official (rep-
8 resenting cities and counties, where appro-
9 priate);

10 “(v) are representatives of labor orga-
11 nizations, who have been nominated by
12 State labor federations; and

13 “(vi) are such other State agency offi-
14 cials and other representatives as the Gov-
15 ernor may designate.”; and

16 (B) in paragraph (3), by striking “para-
17 graph (1)(C)(i)” and inserting “paragraph
18 (1)(C)(iii)”.

19 (2) CONFORMING AMENDMENT.—Section
20 111(c) (29 U.S.C. 2821(c)) is amended by striking
21 “subsection (b)(1)(C)(i)” and inserting “subsection
22 (b)(1)(C)(iii)”.

23 (b) FUNCTIONS.—Section 111(d) (29 U.S.C.
24 2811(d)) is amended—

1 (1) in paragraph (1), by striking “development”
2 and inserting “development, implementation, and re-
3 vision”;

4 (2) in paragraph (2), by striking “section
5 134(c)” and inserting “section 121(e)”;

6 (3) by striking paragraph (3) and inserting the
7 following:

8 “(3) reviewing and providing comment on the
9 State plans of all one-stop partner programs, where
10 applicable, in order to provide effective strategic
11 leadership in the development of a high quality, com-
12 prehensive statewide workforce investment system,
13 including commenting at least once annually on the
14 measures taken pursuant to section 113(b)(3) of the
15 Carl D. Perkins Vocational and Technical Education
16 Act of 1998 (20 U.S.C 2323(b)(3)) and title II of
17 this Act;”;

18 (4) by redesignating paragraphs (4) through
19 (9) as paragraphs (5) through (10), respectively;

20 (5) by inserting after paragraph (3) the fol-
21 lowing:

22 “(4) development and review of statewide poli-
23 cies affecting the coordinated provision of services
24 through the one-stop delivery systems described in
25 section 121(e) within the State, including—

1 “(A) the development of objective proce-
2 dures and criteria for use by local boards in as-
3 sessing the effectiveness and continuous im-
4 provement of one-stop centers under section
5 121(g);

6 “(B) the development of guidance for the
7 allocation of one-stop center infrastructure
8 funds under section 121(h)(1)(B);

9 “(C) the development of—

10 “(i) statewide policies relating to the
11 appropriate roles and contributions of one-
12 stop partner programs within the one-stop
13 delivery system, including approaches to
14 facilitating equitable and efficient cost allo-
15 cation in the one-stop delivery system;

16 “(ii) statewide strategies for providing
17 effective outreach to individuals, including
18 hard-to-serve populations, and employers
19 who could benefit from services provided
20 through the one-stop delivery system; and

21 “(iii) strategies for technology im-
22 provements to facilitate access to services
23 provided through the one-stop delivery sys-
24 tem, in remote areas, and for individuals

1 with disabilities, which may be utilized
2 throughout the State;

3 “(D) identification and dissemination of
4 information on best practices for effective oper-
5 ation of one-stop centers, including use of inno-
6 vative business outreach, partnerships, and
7 service delivery strategies, including for hard-to-
8 serve populations; and

9 “(E) such other matters as may promote
10 statewide objectives for, and enhance the per-
11 formance of, the one-stop delivery systems;”;

12 (6) in paragraph (5) (as redesignated by para-
13 graph (4)), by inserting “and the development of
14 Statewide criteria to be used by chief elected officials
15 for the appointment of local boards and for use in
16 certification of local boards consistent with section
17 117” after “section 116”;

18 (7) in paragraph (6) (as redesignated by para-
19 graph (4)), by striking “sections 128(b)(3)(B) and
20 133(b)(3)(B)” and inserting “sections 128(b)(3) and
21 133(b)(3)(B)”;

22 (8) in paragraph (8) (as redesignated by para-
23 graph (4)), by striking “and” after the semicolon;

24 (9) in paragraph (10) (as redesignated by para-
25 graph (4))—

1 (A) by striking “section 503” and insert-
 2 ing “section 136(i)(1)”; and

3 (B) by striking the period and inserting “;
 4 and”; and

5 (10) by adding at the end the following:

6 “(11) increasing the availability of skills train-
 7 ing, employment opportunities, and career advance-
 8 ment for hard-to-serve populations.”.

9 (c) ALTERNATIVE ENTITY.—Section 111(e) (29
 10 U.S.C. 2811(e)) is amended—

11 (1) in paragraph (1), by striking “For” and in-
 12 serting “Subject to paragraph (3), for”; and

13 (2) by adding at the end the following:

14 “(3) FAILURE TO MEET PERFORMANCE MEAS-
 15 URES.—If a State fails to meet the State adjusted
 16 levels of performance established pursuant to section
 17 136, the Secretary may require the State to estab-
 18 lish a State board in accordance with subsections
 19 (a), (b), and (c) in lieu of the alternative entity es-
 20 tablished under paragraph (1).”.

21 (d) SUNSHINE PROVISION.—Section 111(g) (29
 22 U.S.C. 2822(g)) is amended—

23 (1) by inserting “, and modifications to the
 24 State plan,” before “prior”; and

1 (2) by inserting “, and modifications to the
2 State plan” after “the plan”.

3 (e) **AUTHORITY TO HIRE STAFF.**—Section 111 (29
4 U.S.C. 2811)) is amended by adding at the end the fol-
5 lowing:

6 “(h) **AUTHORITY TO HIRE STAFF.**—The State board
7 may hire staff to assist in carrying out the functions de-
8 scribed in subsection (d) using funds allocated under sec-
9 tion 127(b)(1)(C) and section 132(b).”.

10 **SEC. 113. STATE PLAN.**

11 (a) **PLANNING CYCLE.**—Section 112(a) (29 U.S.C.
12 2822(a)) is amended—

13 (1) by striking “5-year strategy” and inserting
14 “4-year strategy”; and

15 (2) by adding at the end the following: “At the
16 end of the first 2-year period of the 4-year State
17 plan, the State board shall review and, as needed,
18 amend the 4-year State plan to reflect labor market
19 and economic conditions. In addition, the State shall
20 submit a modification to the State plan at the end
21 of the first 2-year period of the State plan, which
22 may include redesignation of local areas pursuant to
23 section 116(a) and the levels of performance under
24 sections 136 for the third and fourth years of the
25 plan.”.

1 (b) CONTENTS.—Section 112(b) (29 U.S.C. 2822(b))

2 is amended—

3 (1) in paragraph (8)(A)—

4 (A) in clause (ix), by striking “and” after
5 the semicolon; and

6 (B) by adding at the end the following:

7 “(xi) programs authorized under title
8 II of the Social Security Act (42 U.S.C.
9 401 et seq.) (relating to Federal old-age,
10 survivors, and disability insurance bene-
11 fits), title XVI of such Act (42 U.S.C.
12 1381 et seq.) (relating to supplemental se-
13 curity income), title XIX of such Act (42
14 U.S.C. 1396 et seq.) (relating to med-
15 icaid), and title XX of such Act (relating
16 to block grants to States for social serv-
17 ices), programs authorized under title VII
18 of the Rehabilitation Act of 1973 (29
19 U.S.C. 796 et seq.), and programs carried
20 out by State agencies relating to mental
21 retardation and developmental disabilities;
22 and”;

23 (2) by striking paragraph (10) and inserting
24 the following:

1 “(10) a description of how the State will use
 2 funds the State received under this subtitle to lever-
 3 age other Federal, State, local, and private re-
 4 sources, in order to maximize the effectiveness of
 5 such resources, expand resources for the provision of
 6 education and training services, and expand the par-
 7 ticipation of businesses, employees, and individuals
 8 in the Statewide workforce investment system, in-
 9 cluding a description of incentives and technical as-
 10 sistance the State will provide to local areas for such
 11 purposes;”;

12 (3) in paragraph (12)(A), by striking “sections
 13 128(b)(3)(B) and 133(b)(3)(B)” and inserting “sec-
 14 tions 128(b)(3) and 133(b)(3)(B)”;

15 (4) in paragraph (14), by striking “section
 16 134(c)” and inserting “section 121(e)”;

17 (5) in paragraph (17)—

18 (A) in subparagraph (A)—

19 (i) in clause (iii)—

20 (I) by inserting “local” before
 21 “customized training”; and

22 (II) by striking “and” at the end;

23 (ii) in clause (iv), by striking “home-
 24 makers),” and all that follows through
 25 “disabilities)” and inserting “hard-to-serve

populations and individuals training for
nontraditional employment”; and

(iii) by adding after clause (iv) the
following:

“(v) how the State will serve the em-
ployment and training needs of individuals
with disabilities, consistent with section
188 and Executive Order 13217 (42
U.S.C. 12131 note; relating to community-
based alternatives for individuals with dis-
abilities), including the provision of out-
reach, intake, the conduct of assessments,
service delivery, the development of per-
formance measures, and the training of
staff; and”; and

(B) in subparagraph (B), by striking
“and” at the end;

(6) in paragraph (18)(D)—

(A) by striking “youth opportunity grants”
and inserting “youth challenge grants author-
ized under section 169 and other federally fund-
ed youth programs”; and

(B) by striking the period and inserting a
semicolon; and

(7) by adding at the end the following:

1 “(19) a description of how the State will utilize
2 technology to facilitate access to services in remote
3 areas, which may be utilized throughout the State;

4 “(20) a description of the State strategy for co-
5 ordinating workforce investment activities and eco-
6 nomic development activities;

7 “(21) a description of the State strategy and
8 assistance needed for ensuring regional cooperation;

9 “(22) a description of how the State will use
10 funds the State receives under this subtitle to—

11 “(A) implement innovative programs and
12 strategies designed to meet the needs of all
13 businesses in the State, including small busi-
14 nesses, which may include incumbent worker
15 training programs, sectoral and industry cluster
16 strategies, regional skills alliances, career ladder
17 programs, utilization of effective business inter-
18 mediaries, and other business services and
19 strategies that better engage employers in
20 workforce activities and make the statewide
21 workforce investment system more relevant to
22 the needs of State and local businesses, con-
23 sistent with the purposes of this Act; and

24 “(B) provide incentives and technical as-
25 sistance to assist local areas in more fully en-

1 gaging large and small employers in local work-
 2 force development activities, to make the work-
 3 force investment system more relevant to the
 4 needs of area businesses, and to better coordi-
 5 nate workforce investment and economic devel-
 6 opment efforts to contribute to the economic
 7 well being of the local area, as determined ap-
 8 propriate by the local board;

9 “(23) a description of the State strategy for en-
 10 suring cooperation between transportation providers,
 11 including public transportation providers, and work-
 12 force investment activities;

13 “(24) a description of how the State will assist
 14 local areas in assuring physical and programmatic
 15 assessability for individuals with disabilities at one-
 16 stop centers;

17 “(25) a description of the process and method-
 18 ology that will be used by the State board to—

19 “(A) review statewide policies and provide
 20 guidance on the coordinated provision of serv-
 21 ices through the one-stop delivery system de-
 22 scribed in section 121;

23 “(B) establish, in consultation with chief
 24 elected officials and local boards, procedures
 25 and objective criteria for use by local boards in

1 periodically assessing the effectiveness and con-
 2 tinuous improvement of one-stop centers and
 3 one-stop delivery systems as described in sec-
 4 tion 121(g); and

5 “(C) determine one-stop partner program
 6 contributions for—

7 “(i) the costs of the infrastructure of
 8 one-stop centers under section 121(h)(2);
 9 and

10 “(ii) the formula for allocating the
 11 funds described in section 121(h)(2) to
 12 local areas; and

13 “(26) a description of the State strategy for en-
 14 suring that activities carried out under this title are
 15 placing men and women in jobs, education, or train-
 16 ing that lead to comparable pay.”.

17 (c) MODIFICATIONS TO PLAN.—Section 112(d) (29
 18 U.S.C. 2822(d)) is amended—

19 (1) by striking “5-year period” and inserting
 20 “4-year period”; and

21 (2) by adding at the end the following: “In ad-
 22 dition, the State shall submit the modifications to
 23 the State plan required under subsection (a), and
 24 under circumstances prescribed by the Secretary

1 that are due to changes in Federal law that signifi-
 2 cantly affect elements of the State plan.”.

3 **SEC. 114. LOCAL WORKFORCE INVESTMENT AREAS.**

4 (a) DESIGNATION OF AREAS.—

5 (1) CONSIDERATIONS.—Section 116(a)(1)(B)
 6 (29 U.S.C. 2831(a)(1)(B)) is amended by adding at
 7 the end the following:

8 “(vi) The extent to which such local
 9 areas will promote maximum effectiveness
 10 in the administration and provision of serv-
 11 ices.”.

12 (2) AUTOMATIC DESIGNATION.—Section
 13 116(a)(2) (29 U.S.C. 2831(a)(2)) is amended to
 14 read as follows:

15 “(2) AUTOMATIC DESIGNATION.—

16 “(A) IN GENERAL.—The Governor shall
 17 approve a request for designation as a local
 18 area that is submitted prior to the submission
 19 of the State plan, or of a modification to the
 20 State plan relating to area designation, from
 21 any area that—

22 “(i) is a unit of general local govern-
 23 ment with a population of 500,000 or
 24 more, except that after the initial 2-year
 25 period following such designation pursuant

1 to this clause that occurs after the date of
2 enactment of the Workforce Investment
3 Act Amendments of 2003, the Governor
4 shall only be required to approve a request
5 for designation from such area if such
6 area—

7 “(I) performed successfully; and

8 “(II) sustained fiscal integrity;

9 “(ii) was a local area under this title
10 for the preceding 2-year period, if such
11 local area—

12 “(I) performed successfully; and

13 “(II) sustained fiscal integrity; or

14 “(iii) is served by a rural concentrated
15 employment program grant recipient, ex-
16 cept that after the 2-year period following
17 any such designation under the initial
18 State plan submitted after the date of en-
19 actment of the Workforce Investment Act
20 Amendments of 2003, the Governor shall
21 only be required to approve a request for
22 designation under this clause if such
23 area—

24 “(I) performed successfully; and

25 “(II) sustained fiscal integrity.

1 “(B) DEFINITIONS.—For purposes of this
2 paragraph:

3 “(i) PERFORMED SUCCESSFULLY.—
4 The term ‘performed successfully’ means
5 that the local area involved is not subject
6 to sanctions under section 136(h)(2) due
7 to the failure to meet the levels of perform-
8 ance established under section 136(c) for 2
9 consecutive years.

10 “(ii) SUSTAINED FISCAL INTEG-
11 RITY.—The term ‘sustained fiscal integ-
12 rity’ means that the Secretary has not
13 made a formal determination during the
14 preceding 2-year period that either the
15 grant recipient or the administrative entity
16 of the area misexpended funds provided
17 under this title due to willful disregard of
18 the requirements of the Act involved, gross
19 negligence, or failure to comply with ac-
20 cepted standards of administration.”.

21 (3) CONFORMING AMENDMENTS.—Section
22 116(a) (29 U.S.C. 2831(a)) is amended—
23 (A) by striking paragraph (3);
24 (B) by redesignating paragraphs (4) and
25 (5) as paragraph (3) and (4), respectively;

1 (C) in paragraph (3) (as redesignated by
2 subparagraph (B))—

3 (i) by striking “(including temporary
4 designation)”; and

5 (ii) by striking “(v)” and inserting
6 “(vi)”; and

7 (D) in paragraph (4) (as redesignated by
8 subparagraph (B))—

9 (i) by striking “under paragraph (2)
10 or (3)” and inserting “under paragraph
11 (2)”; and

12 (ii) by striking the second sentence.

13 (b) SINGLE LOCAL AREA STATES.—Section 116(b)
14 (29 U.S.C. 2831(b)) is amended to read as follows:

15 “(b) SINGLE LOCAL AREA STATES.—

16 “(1) CONTINUATION OF PREVIOUS DESIGNA-
17 TION.—Notwithstanding subsection (a)(2), the Gov-
18 ernor of any State that was a single local area for
19 purposes of this title as of July 1, 2002, may con-
20 tinue to designate the State as a single local area for
21 purposes of this title if the Governor identifies the
22 State as a local area in the State plan under section
23 112(b)(5).

24 “(2) REDESIGNATION.—The Governor may re-
25 designate the State as a single local area if, prior to

1 the submission of the State plan or modification to
 2 such plan so designating the State, no local area
 3 meeting the requirements for automatic designation
 4 under subsection (a)(2) requests such designation as
 5 a separate local area.

6 “(3) EFFECT ON LOCAL PLAN.—In any case in
 7 which a State is designated as a local area pursuant
 8 to this subsection, the local plan prepared under sec-
 9 tion 118 for the area shall be submitted to the Sec-
 10 retary for approval as part of the State plan under
 11 section 112.”.

12 (c) REGIONAL PLANNING.—Section 116(c) (29
 13 U.S.C. 2831(c)) is amended—

14 (1) by striking paragraph (1) and inserting the
 15 following:

16 “(1) PLANNING.—

17 “(A) IN GENERAL.—As part of the process
 18 for developing the State plan, a State may re-
 19 quire regional planning by local boards for a
 20 designated region in the State. The State may
 21 require the local boards for a designated region
 22 to participate in a regional planning process
 23 that results in the establishment of regional
 24 performance measures for workforce investment
 25 activities authorized under this subtitle. The

1 State, after consultation with local boards and
 2 chief elected officials, may require the local
 3 boards for the designated region to prepare,
 4 submit, and obtain approval of a single regional
 5 plan that incorporates local plans for each of
 6 the local areas in the region, as required under
 7 section 118. The State may award regional in-
 8 centive grants to the designated regions that
 9 meet or exceed the regional performance meas-
 10 ures pursuant to section 134(a)(2)(C).

11 “(B) TECHNICAL ASSISTANCE.—If the
 12 State requires regional planning as provided in
 13 subparagraph (A), the State shall provide tech-
 14 nical assistance and labor market information
 15 to such local areas in the designated regions to
 16 assist with such regional planning and subse-
 17 quent service delivery efforts.”;

18 (2) in paragraph (2), by inserting “information
 19 about the skill requirements of existing and emerg-
 20 ing industries and industry clusters,” after “infor-
 21 mation about employment opportunities and
 22 trends,”; and

23 (3) in paragraph (3), by adding at the end the
 24 following: “Such services may be required to be co-

1 ordinated with regional economic development serv-
 2 ices and strategies.”.

3 **SEC. 115. LOCAL WORKFORCE INVESTMENT BOARDS.**

4 (a) COMPOSITION.—Section 117(b) (29 U.S.C.
 5 2832(b)) is amended—

6 (1) in paragraph (2)(A)—

7 (A) in clause (i), by striking subclause (II)
 8 and inserting the following:

9 “(II) collectively, represent busi-
 10 nesses with employment opportunities
 11 that reflect the employment opportu-
 12 nities of the local area, and include
 13 representatives of businesses that are
 14 in high-growth and emerging indus-
 15 tries, and representatives of all busi-
 16 nesses, including small businesses, in
 17 the local area; and”;

18 (B) by striking clause (ii) and inserting the
 19 following:

20 “(ii)(I) a superintendent representing
 21 the local school districts involved or an-
 22 other high-level official from such districts;

23 “(II) the president or highest ranking
 24 official of an institution of higher edu-
 25 cation serving the local area; and

1 “(III) an administrator of local enti-
 2 ties providing adult education and literacy
 3 activities in the local area;”;

4 (C) in clause (iv), by inserting “, hard-to-
 5 serve populations,” after “disabilities”; and

6 (D) by striking clause (vi) and inserting
 7 the following:

8 “(vi) if the local board does not estab-
 9 lish a youth council, representatives with
 10 experience serving out-of-school youth, par-
 11 ticularly out-of-school youth facing barriers
 12 to employment.”; and

13 (2) by adding at the end the following:

14 “(6) SPECIAL RULE.—In the case that there
 15 are multiple school districts or institutions of higher
 16 education serving a local area, the representatives
 17 described in paragraph (2)(A)(ii) shall be appointed
 18 from among individuals nominated by regional or
 19 local educational agencies, institutions, or organiza-
 20 tions representing such agencies or institutions.”.

21 (b) AUTHORITY OF BOARD MEMBERS.—Section
 22 117(b)(3) (29 U.S.C. 2832(b)(3)) is amended—

23 (1) in the heading, by inserting “AND REP-
 24 RESENTATION” after “AUTHORITY”; and

1 (2) by adding at the end the following: “The
2 members of the board shall represent diverse geo-
3 graphic sections within the local area.”.

4 (c) CONFORMING AMENDMENT.—Section
5 117(c)(1)(C) (29 U.S.C. 2832 (c)(1)(C)) is amended by
6 striking “section 116(a)(2)(B)” and inserting “section
7 116(a)(2)(A)(ii)”.

8 (d) FUNCTIONS.—Section 117(d) (29 U.S.C.
9 2832(d)) is amended—

10 (1) in paragraph (2)—

11 (A) in subparagraph (B)—

12 (i) by inserting “(except as provided
13 in section 123(b))” after “basis”; and

14 (ii) by inserting “where appropriate”
15 after “youth council”; and

16 (B) by adding at the end the following:

17 “(E) CONSUMER CHOICE REQUIRE-
18 MENTS.—Consistent with section 134(d)(3) and
19 (d)(4), the local board shall work to ensure
20 there are sufficient providers of intensive serv-
21 ices and training services serving the local area
22 in a manner that maximizes consumer choice,
23 including providers with expertise in assisting
24 individuals with disabilities.”;

1 (2) in paragraph (4), by inserting “, and shall
2 ensure the appropriate use and management of the
3 funds provided under this subtitle for such pro-
4 grams, activities, and system” after “area”;

5 (3) in paragraph (8)—

6 (A) by inserting “all” before “private sec-
7 tor”;

8 (B) by inserting “, including small employ-
9 ers,” after “private sector employers”; and

10 (C) by striking the period and inserting “,
11 taking into account the unique needs of small
12 businesses.”; and

13 (4) by adding at the end the following:

14 “(9) TECHNOLOGY IMPROVEMENTS.—The local
15 board shall develop strategies for technology im-
16 provements to facilitate access to services, in remote
17 areas, for services authorized under this subtitle and
18 carried out in the local area.”.

19 (e) CONFORMING AMENDMENT.—Section 117(f)(2)
20 (29 U.S.C. 2832(f)(2)) is amended by striking “described
21 in section 134(c)”.

22 (f) AUTHORITY TO ESTABLISH COUNCILS AND
23 ELIMINATION OF REQUIREMENT FOR YOUTH COUN-
24 CILS.—Section 117(h) (29 U.S.C. 2832(h)) is amended to
25 read as follows:

1 “(h) COUNCILS.—The local board may establish or
 2 continue councils to provide information and advice to as-
 3 sist the local board in carrying out activities under this
 4 title. Such councils may include—

5 “(1) a council composed of one-stop partners to
 6 advise the local board on the operation of the one-
 7 stop delivery system involved;

8 “(2) a youth council composed of experts and
 9 stakeholders in youth programs to advise the local
 10 board on youth activities; and

11 “(3) such other councils as the local board de-
 12 termines are appropriate.”.

13 (g) ALTERNATIVE ENTITY PROVISION.—Section
 14 117(i)(1) (29 U.S.C. 2832(i)(1)) is amended—

15 (1) by striking subparagraph (B) and inserting
 16 the following:

17 “(B) was in existence on August 7, 1998,
 18 pursuant to State law; and”;

19 (2) by striking subparagraph (C); and

20 (3) by redesignating subparagraph (D) as sub-
 21 paragraph (C).

22 **SEC. 116. LOCAL PLAN.**

23 (a) PLANNING CYCLE.—Section 118(a) (29 U.S.C.
 24 2833(a)) is amended—

1 (1) by striking “5-year” and inserting “4-year”;
2 and

3 (2) by adding at the end the following: “At the
4 end of the first 2-year period of the 4-year plan, the
5 local board shall review and, as needed, amend the
6 4-year plan to reflect labor market and economic
7 conditions.”.

8 (b) CONTENTS.—Section 118(b) (29 U.S.C. 2833(b))
9 is amended—

10 (1) in paragraph (2)—

11 (A) in subparagraph (A), by striking
12 “and” after the semicolon;

13 (B) by striking subparagraph (B) and in-
14 serting the following:

15 “(B) a description of how the local board
16 will facilitate access to services provided
17 through the one-stop delivery system, in remote
18 areas, including facilitating access through the
19 use of technology; and”;

20 (C) by adding at the end the following:

21 “(C) a description of how the local board
22 will ensure physical and programmatic
23 accessibility for individuals with disabilities at
24 one-stop centers;”;

1 (2) in paragraph (9), by striking “; and” and
2 inserting a semicolon;

3 (3) by redesignating paragraph (10) as para-
4 graph (14); and

5 (4) by inserting after paragraph (9) the fol-
6 lowing:

7 “(10) a description of how the local board will
8 coordinate workforce investment activities carried
9 out in the local area with economic development ac-
10 tivities carried out in the local area;

11 “(11) a description of the strategies and serv-
12 ices that will be initiated in the local area to more
13 fully engage all employers, including small employ-
14 ers, in workforce development activities, to make the
15 workforce investment system more relevant to the
16 needs of area businesses, and to better coordinate
17 workforce investment and economic development ef-
18 forts, which may include the implementation of inno-
19 vative initiatives such as incumbent worker training
20 programs, sectoral and industry cluster strategies,
21 regional skills alliances, career ladder programs, uti-
22 lization of effective business intermediaries, and
23 other business services and strategies designed to
24 meet the needs of area employers and contribute to
25 the economic well being of the local area, as deter-

1 mined appropriate by the local board, consistent
 2 with the purposes of this Act;

3 “(12) a description of how the local board will
 4 expand access to education and training services for
 5 eligible individuals who are in need of such services
 6 through—

7 “(A) the utilization of programs funded
 8 under this title; and

9 “(B) the increased leveraging of resources
 10 other than those provided under this title, in-
 11 cluding tax credits, private sector-provided
 12 training, and other Federal, State, local, and
 13 private funding sources that are brokered
 14 through the one-stop centers for training;

15 “(13) a description of how the local board will
 16 coordinate workforce investment activities carried
 17 out in the local area with the provision of transpor-
 18 tation, including public transportation, in the local
 19 area; and”.

20 **SEC. 117. ESTABLISHMENT OF ONE-STOP DELIVERY SYS-**
 21 **TEMS.**

22 (a) ONE-STOP PARTNERS.—

23 (1) REQUIRED PARTNERS.—Section 121(b)(1)

24 (29 U.S.C. 2841(b)(1)) is amended—

1 (A) by striking subparagraph (A) and in-
2 serting the following:

3 “(A) ROLES AND RESPONSIBILITIES OF
4 ONE-STOP PARTNERS.—Each entity that carries
5 out a program or activities described in sub-
6 paragraph (B) shall—

7 “(i) provide access through the one-
8 stop delivery system to the programs and
9 activities carried out by the entity, includ-
10 ing making the core services described in
11 section 134(d)(2) that are applicable to the
12 program of the entity available at the com-
13 prehensive one-stop centers (in addition to
14 any other appropriate locations);

15 “(ii) use a portion of the funds avail-
16 able to the program of the entity to main-
17 tain the one-stop delivery system, including
18 payment of the infrastructure costs of one-
19 stop centers in accordance with subsection
20 (h);

21 “(iii) enter into the local memo-
22 randum of understanding with the local
23 board relating to the operation of the one-
24 stop system that meets the requirements of
25 subsection (c);

“(iv) participate in the operation of the one-stop system consistent with the terms of the memorandum of understanding, the requirements of this title, and the requirements of the Federal laws authorizing the programs carried out by the entity; and

“(v) provide representation on the State board to the extent provided under section 111.”;

(B) in subparagraph (B)—

(i) by striking clause (v);

(ii) by redesignating clauses (vi) through (xii) as clauses (v) through (xi), respectively;

(iii) in clause (x) (as redesignated by clause (ii)), by striking “and” at the end;

(iv) in clause (xi) (as redesignated by clause (ii)), by striking the period and inserting “; and”; and

(v) by adding at the end the following:

“(xii) programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), subject to subparagraph (C).”; and

1 (C) by adding at the end the following:

2 “(C) DETERMINATION BY THE GOV-
3 ERNOR.—

4 “(i) IN GENERAL.—An entity that
5 carries out programs referred to in sub-
6 paragraph (B)(xii) shall be included in the
7 one-stop partners for the local area, as a
8 required partner, for purposes of this title
9 unless the Governor of the State provides
10 the notification described in clause (ii).

11 “(ii) NOTIFICATION.—The notification
12 referred to in clause (i) is a notification
13 that—

14 “(I) is made in writing of a de-
15 termination by the Governor not to in-
16 clude such entity in the one-stop part-
17 ners described in clause (i); and

18 “(II) is provided to the Secretary
19 and the Secretary of Health and
20 Human Services.”.

21 (2) ADDITIONAL PARTNERS.—

22 (A) IN GENERAL.—Section 121(b)(2)(A)
23 (29 U.S.C. 2841(b)(2)(A)) is amended to read
24 as follows:

1 “(A) IN GENERAL.—With the approval of
 2 the local board and chief elected official, in ad-
 3 dition to the entities described in paragraph
 4 (1), other entities that carry out a human re-
 5 source program described in subparagraph (B)
 6 may be a one-stop partner and carry out the re-
 7 sponsibilities described in paragraph (1)(A).”.

8 (B) ADDITIONAL PARTNERS.—Section
 9 121(b)(2)(B) (29 U.S.C. 2841(b)(2)(B)) is
 10 amended—

11 (i) by redesignating clauses (iv) and
 12 (v) as clauses (v) and (vi), respectively;
 13 and

14 (ii) by striking clauses (i) through (iii)
 15 and inserting the following:

16 “(i) employment and training pro-
 17 grams administered by the Social Security
 18 Administration, including the Ticket to
 19 Work and Self-Sufficiency program estab-
 20 lished under section 1148 of the Social Se-
 21 curity Act (42 U.S.C. 1320b–19);

22 “(ii) programs carried out in the local
 23 area for individuals with disabilities, in-
 24 cluding programs carried out by State
 25 agencies relating to mental retardation and

1 developmental disabilities, Statewide Inde-
 2 pendent Living Councils established under
 3 section 705 of the Rehabilitation Act of
 4 1973 (29 U.S.C. 796d), and centers for
 5 independent living defined in section 702
 6 of the Rehabilitation Act of 1973 (29
 7 U.S.C. 796a);

8 “(iii) employment and training pro-
 9 grams carried out by the Small Business
 10 Administration;

11 “(iv) programs authorized under sec-
 12 tion 6(d)(4) of the Food Stamp Act of
 13 1977 (7 U.S.C. 2015(d)(4));”.

14 (b) LOCAL MEMORANDUM OF UNDERSTANDING.—

15 (1) CONTENTS OF MEMORANDUM.—Section
 16 121(c)(2)(A) (29 U.S.C. 2841(c)(2)(A)) is amended
 17 to read as follows:

18 “(A) provisions describing—

19 “(i) the services to be provided
 20 through the one-stop delivery system con-
 21 sistent with the requirements of this sec-
 22 tion, including the manner in which the
 23 services will be coordinated through such
 24 system;

1 “(ii) how the costs of such services
2 and the operating costs of such system will
3 be funded to provide a stable and equitable
4 funding stream for ongoing one-stop sys-
5 tem operations, including the funding of
6 the infrastructure costs of one-stop centers
7 in accordance with subsection (h);

8 “(iii) methods of referral of individ-
9 uals between the one-stop operator and the
10 one-stop partners for appropriate services
11 and activities;

12 “(iv) methods to ensure the needs of
13 hard-to-serve populations are addressed in
14 accessing services through the one-stop
15 system; and

16 “(v) the duration of the memorandum
17 of understanding and the procedures for
18 amending the memorandum during the
19 term of the memorandum, and assurances
20 that such memorandum shall be reviewed
21 not less than once every 2-year period to
22 ensure appropriate funding and delivery of
23 services; and”.

1 (c) CONFORMING AMENDMENT.—Section 121(d)(2)
 2 (29 U.S.C. 2841(d)(2)) is amended by striking “section
 3 134(c)” and inserting “section 121(e)”.

4 (d) PROVISION OF SERVICES.—

5 (1) ELIMINATION OF PROVISIONS CONCERNING
 6 ESTABLISHED SYSTEMS.—Section 121 (29 U.S.C.
 7 2841) is amended by striking subsection (e).

8 (2) REDESIGNATION.—Subtitle B of title I is
 9 amended—

10 (A) in section 134 (29 U.S.C. 2864), by
 11 redesignating subsection (c) as subsection (e);
 12 and

13 (B) by transferring that subsection (e) so
 14 that the subsection appears after subsection (d)
 15 of section 121.

16 (3) ONE-STOP DELIVERY SYSTEMS.—Paragraph
 17 (1) of section 121(e) (29 U.S.C. 2841(e)) (as reded-
 18 igned by paragraph (2)) is amended—

19 (A) in subparagraph (A), by striking “sub-
 20 section (d)(2)” and inserting “section
 21 134(d)(2)”;

22 (B) in subparagraph (B)—

23 (i) by striking “subsection (d)” and
 24 inserting “section 134(d)”;

1 (ii) by striking “individual training
2 accounts” and inserting “career scholar-
3 ship accounts”; and

4 (iii) by striking “subsection
5 (d)(4)(G)” and inserting “section
6 134(d)(4)(G)”;

7 (C) in subparagraph (C), by striking “sub-
8 section (e)” and inserting “section 134(e)”;

9 (D) in subparagraph (D), by striking “sec-
10 tion 121(b)” and inserting “subsection (b)”;
11 and

12 (E) in subparagraph (E), by striking “in-
13 formation described in section 15” and insert-
14 ing “data, information, and analysis described
15 in section 15(a)”.

16 (e) CONTINUOUS IMPROVEMENT OF ONE-STOP CEN-
17 TERS.—Section 121 (29 U.S.C. 2841) is amended by add-
18 ing at the end the following:

19 “(g) CONTINUOUS IMPROVEMENT OF ONE-STOP
20 CENTERS.—

21 “(1) IN GENERAL.—The State board, in con-
22 sultation with chief local elected officials and local
23 boards, shall establish procedures and objective cri-
24 teria for use by local boards in periodically assessing
25 the effectiveness, physical and programmatic accessi-

1 bility, and continuous improvement of one-stop cen-
2 ters and one-stop delivery systems.

3 “(2) CRITERIA.—The procedures and criteria
4 developed under this subsection shall include min-
5 imum standards relating to the scope and degree of
6 service coordination achieved by the one-stop deliv-
7 ery system with respect to the programs adminis-
8 tered by the one-stop partners at the one-stop cen-
9 ters, consistent with the guidance provided by the
10 Governor and by the State board, in consultation
11 with the chief elected official and local boards, for
12 such partners’ participation under subsections
13 (h)(1)(B) and subsection (i), respectively, and such
14 other factors relating to the quality, accessibility,
15 and effectiveness of the one-stop delivery system as
16 the State board determines appropriate.

17 “(3) LOCAL BOARDS.—Consistent with the cri-
18 teria developed by the State, the local board may de-
19 velop additional criteria of higher standards to re-
20 spond to local labor market and demographic condi-
21 tions and trends.

22 “(h) FUNDING OF ONE-STOP INFRASTRUCTURE AND
23 OTHER COSTS.—

24 “(1) IN GENERAL.—

1 “(A) OPTIONS FOR INFRASTRUCTURE
2 FUNDING.—

3 “(i) LOCAL OPTIONS.—The local
4 board, chief elected officials, and one-stop
5 partners in a local area may choose to
6 fund the costs of the infrastructure of one-
7 stop centers through—

8 “(I) alternative methods de-
9 scribed in the local memorandum of
10 understanding, if one-stop partners,
11 the local board, and chief elected offi-
12 cial agree to such alternative methods;
13 or

14 “(II) the State infrastructure
15 funding mechanism described in para-
16 graph (2).

17 “(ii) FAILURE TO REACH AGREEMENT
18 ON FUNDING METHODS.—If, as of July 1,
19 2004, the local board, chief elected official,
20 and one-stop partners in a local area fail
21 to reach agreement on methods of funding
22 the infrastructure costs of one-stop cen-
23 ters, the State infrastructure funding
24 mechanism described in paragraph (2)
25 shall be applicable to such local area.”.

1 “(B) GUIDANCE FOR INFRASTRUCTURE
2 FUNDING.—In addition to carrying out the re-
3 quirements relating to the State mechanism for
4 one-stop center infrastructure funding described
5 in paragraph (2), the Governor, after consulta-
6 tion with chief local elected official, local
7 boards, and the State board, and consistent
8 with the guidelines provided by the State board
9 under subsection (i), shall provide—

10 “(i) guidelines for State administered
11 one-stop partner programs in determining
12 such program’s contributions to and par-
13 ticipation in the one-stop delivery system,
14 including funding for the costs of infra-
15 structure as described in paragraph (4),
16 negotiated pursuant to the local memo-
17 randum of understanding under subsection
18 (b); and

19 “(ii) guidance to assist local areas in
20 identifying equitable and stable alternative
21 methods of funding of the costs of the in-
22 frastructure of one-stop centers in local
23 areas.

24 “(2) STATE ONE-STOP INFRASTRUCTURE FUND-
25 ING.—

1 “(A) PARTNER CONTRIBUTIONS.—

2 “(i) IN GENERAL.—Notwithstanding
3 any other provision of law, but subject to
4 clause (iii), a portion determined under
5 clause (ii) of the Federal funds provided to
6 the State and areas within the State under
7 the Federal laws authorizing the programs
8 described in subsection (b) and adminis-
9 tered by one-stop partners for a fiscal year
10 shall be provided to the Governor from
11 such programs to assist in paying the costs
12 of infrastructure of one-stop centers in
13 those local areas of the State not funded
14 under the option described in paragraph
15 (1)(B)(i)(I).

16 “(ii) DETERMINATION OF GOV-
17 ERNOR.—

18 “(I) IN GENERAL.—Subject to
19 subclause (II) and clause (iii), the
20 Governor, after consultation with chief
21 local elected officials, local boards,
22 and the State board, shall determine
23 the portion of funds to be provided
24 under clause (i) by each one-stop
25 partner from each program described

1 in clause (i). In making such deter-
2 mination, the Governor shall consider
3 the proportionate use of the one-stop
4 centers pursuant to clause (i)(II) or
5 (ii) of paragraph (1)(A) by each part-
6 ner, the costs of administration for
7 purposes not related to one-stop cen-
8 ters for each partner, and other rel-
9 evant factors described in paragraph
10 (3). The Governor shall exclude from
11 such determination the portion of
12 funds and use of one-stop centers at-
13 tributable to the programs of one-stop
14 partners for those local areas of the
15 State where the infrastructure of one-
16 stop centers is funded under the op-
17 tion described in paragraph
18 (1)(B)(i)(I).

19 “(II) SPECIAL RULE.—In a State
20 in which the State constitution places
21 policymaking authority that is inde-
22 pendent of the authority of the Gov-
23 ernor in an entity or official with re-
24 spect to the funds provided for adult
25 education and literacy activities au-

1 thorized under title II and for postsec-
2 ondary vocational and technical edu-
3 cation activities authorized under the
4 Carl D. Perkins Vocational and Tech-
5 nical Education Act of 1998 (20
6 U.S.C. 2301 et seq.), or vocational re-
7 habilitation services offered under the
8 Rehabilitation Act of 1973 (29 U.S.C.
9 701 et seq.), the determination de-
10 scribed in subclause (I) with respect
11 to the programs authorized under that
12 title and that Act shall be made by
13 the Governor and the appropriate en-
14 tity or official with such independent
15 policymaking authority.

16 “(III) APPEAL BY ONE-STOP
17 PARTNERS.—The Governor shall es-
18 tablish a procedure for the one-stop
19 partner administering a program de-
20 scribed in subsection (b) to appeal a
21 determination regarding the portion of
22 funds to be contributed under this
23 paragraph on the basis that such de-
24 termination is inconsistent with the
25 criteria described in the State plan or

1 with the requirements of this para-
2 graph. Such procedure shall ensure
3 prompt resolution of the appeal.

4 “(iii) LIMITATIONS.—

5 “(I) PROVISION FROM ADMINIS-
6 TRATIVE FUNDS.—The funds provided
7 under this paragraph by each one-stop
8 partner shall be provided only from
9 funds available for the costs of admin-
10 istration under the program adminis-
11 tered by such partner, and shall be
12 subject to the program limitations
13 with respect to the portion of funds
14 under such program that may be used
15 for administration.

16 “(II) CAP ON REQUIRED CON-
17 TRIBUTIONS.—

18 “(aa) WIA FORMULA PRO-
19 GRAMS AND EMPLOYMENT SERV-
20 ICE.—The portion of funds re-
21 quired to be contributed under
22 this paragraph by the programs
23 authorized under chapters 4 and
24 5 of this title and under the
25 Wagner-Peyser Act shall not be

1 in excess of 3 percent of the
2 amount of Federal funds pro-
3 vided to carry out each such pro-
4 gram in the State for a fiscal
5 year.

6 “(bb) OTHER ONE-STOP
7 PARTNERS.—The portion of
8 funds required to be contributed
9 under paragraph (1)(B)(ii) by a
10 one-stop partner from a program
11 described in subsection (b)(1)
12 other than the programs de-
13 scribed under item (aa) shall not
14 be in excess of 1 and 1/2 percent
15 of the amount of Federal funds
16 provided to carry out such pro-
17 gram in the State for a fiscal
18 year.

19 “(cc) SPECIAL RULE.—Not-
20 withstanding items (aa) and (bb),
21 an agreement, including local
22 memorandums of understanding,
23 entered into prior to the date of
24 enactment of the Workforce In-
25 vestment Act Amendments of

1 2003 by an entity regarding con-
2 tributions under this title that
3 permits the percentages described
4 in such items to be exceeded,
5 may continue to be in effect until
6 terminated by the parties.

7 “(dd) VOCATIONAL REHA-
8 BILITATION.—Notwithstanding
9 items (aa) and (bb), an entity ad-
10 ministering a program under title
11 I of the Rehabilitation Act of
12 1973 (29 U.S.C. 720 et seq.)
13 shall not be required to provide,
14 for the purposes of this para-
15 graph, an amount in excess of—

16 “(AA) 0.75 percent of the
17 amount provided for such pro-
18 gram in the State for the second
19 program year that begins after
20 the date of enactment of the
21 Workforce Investment Act
22 Amendments of 2003;

23 “(BB) 1.0 percent of the
24 amount provided for such pro-
25 gram in the State for the third

1 program year that begins after
2 such date;

3 “(CC) 1.25 percent of the
4 amount provided for such pro-
5 gram in the State for the fourth
6 program year that begins after
7 such date; and

8 “(DD) 1.5 percent of the
9 amount provided for such pro-
10 gram in the State for the fifth
11 and each succeeding program
12 year that begins after such date.

13 “(III) FEDERAL DIRECT SPEND-
14 ING PROGRAMS.—An entity admin-
15 istering a program funded with direct
16 spending as defined in section
17 250(c)(8) of the Balanced Budget and
18 Emergency Deficit Control Act of
19 1985 (2 U.S.C. 900(c)(8)) shall not
20 be required to provide, for purposes of
21 this paragraph, an amount in excess
22 of the amount determined to be equiv-
23 alent to the cost of the proportionate
24 use of the one-stop centers for such
25 program in the State.

1 “(IV) NATIVE AMERICAN PRO-
2 GRAMS.—Native American programs
3 established under section 166 shall
4 not be subject to the provisions of this
5 subsection or subsection (i). The
6 method for determining the appro-
7 priate portion of funds to be provided
8 by such Native American programs to
9 pay for the costs of infrastructure of
10 a one-stop center certified under sub-
11 section (g) shall be determined as part
12 of the development of the memo-
13 randum of understanding under sub-
14 section (c) for the one-stop center and
15 shall be stated in the memorandum.

16 “(B) ALLOCATION BY GOVERNOR.—From
17 the funds provided under subparagraph (A), the
18 Governor shall allocate the funds to local areas
19 in accordance with the formula established
20 under subparagraph (C) for the purposes of as-
21 sisting in paying the costs of infrastructure of
22 one-stop centers.

23 “(C) ALLOCATION FORMULA.—The State
24 board shall develop a formula to be used by the
25 Governor to allocate the funds provided under

subparagraph (A) to local areas not funding infrastructure costs under the option described in paragraph (1)(B)(i)(II). The formula shall be based on factors including the number of one-stop centers in a local area, the population served by such centers, the services provided by such centers, and other factors relating to the performance of such centers that the State board determines are appropriate.

“(D) COSTS OF INFRASTRUCTURE.—In this subsection, the term ‘costs of infrastructure’, used with respect to a one-stop center, means the nonpersonnel costs that are necessary for the general operation of the one-stop center, including the rental costs of the facilities, the costs of utilities and maintenance, equipment (including adaptive technology for individuals with disabilities), and technology to facilitate remote access to the one-stop center’s strategic planning activities, and common outreach activities.

“(i) OTHER FUNDS.—

“(1) IN GENERAL.—In addition to the funds provided to carry out subsection (h), a portion of funds made available under Federal law authorizing

1 the programs described in subsection (b) and admin-
 2 istered by one-stop partners, or the noncash re-
 3 sources available under such programs, shall be used
 4 to pay the additional costs relating to the operation
 5 of the one-stop delivery system involved that are not
 6 paid from the funds provided under subsection (h),
 7 as determined in accordance with paragraph (2), to
 8 the extent not inconsistent with the Federal law in-
 9 volved. Such costs shall include the costs of the pro-
 10 vision of core services described in section 134(d)(2)
 11 applicable to each program and may include—

12 “(A) costs of infrastructure, as defined in
 13 subsection (h), that are in excess of the amount
 14 of funds provided under subsection (h); and

15 “(B) common costs that are in addition to
 16 the costs of infrastructure that are not paid
 17 from the funds provided under subsection (h).

18 “(2) DETERMINATION AND GUIDANCE.—The
 19 method for determining the appropriate portion of
 20 funds and noncash resources to be provided by each
 21 program under paragraph (1) for a one-stop center
 22 shall be determined as part of the development of
 23 the memorandum of understanding under subsection
 24 (c) for the one-stop center and shall be stated in the
 25 memorandum. The State board shall provide guid-

1 ance to facilitate the determination of an appro-
 2 priate allocation of the funds and noncash resources
 3 in local areas.”.

4 **SEC. 118. ELIGIBLE PROVIDERS OF TRAINING SERVICES.**

5 Section 122 (29 U.S.C. 2842) is amended to read as
 6 follows:

7 **“SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF**
 8 **TRAINING SERVICES.**

9 “(a) IN GENERAL.—The Governor, after consultation
 10 with the State board, shall establish criteria and proce-
 11 dures regarding the eligibility of providers of training serv-
 12 ices described in section 134(d)(4) (referred to in this sec-
 13 tion as ‘training services’) to receive funds provided under
 14 section 133(b) for the provision of training services.

15 “(b) CRITERIA.—

16 “(1) IN GENERAL.—The criteria established by
 17 the Governor pursuant to subsection (a) shall take
 18 into account—

19 “(A) the performance of providers of train-
 20 ing services with respect to the performance
 21 measures described in section 136 or other ap-
 22 propriate measures of performance outcomes
 23 for those individuals receiving training services
 24 under this subtitle (taking into consideration

1 the characteristics of the population served and
2 relevant economic conditions);

3 “(B) the need to ensure access to training
4 services throughout the State, including any
5 rural areas;

6 “(C) the information such providers are re-
7 quired to report to State agencies with respect
8 to Federal and State programs (other than the
9 program carried out under this subtitle), includ-
10 ing partner programs;

11 “(D) the requirements for State licensing
12 of providers of training services, and the licens-
13 ing status of each provider of training services
14 if applicable;

15 “(E) to the extent practicable, encouraging
16 the use of industry recognized standards and
17 certification;

18 “(F) the ability to provide training services
19 to hard-to-serve populations, including individ-
20 uals with disabilities; and

21 “(G) such other factors as the Governor
22 determines are appropriate to ensure—

23 “(i) the quality of services provided;

24 “(ii) the accountability of the pro-
25 viders;

1 “(iii) that the one-stop centers in the
2 State will ensure that such providers meet
3 the needs of local employers and partici-
4 pants;

5 “(iv) the informed choice of partici-
6 pants under chapter 5; and

7 “(v) that the collection of information
8 required is not unduly burdensome or cost-
9 ly to providers.

10 “(2) INFORMATION AND RENEWAL.—The cri-
11 teria established by the Governor shall require that
12 a provider of training services submit appropriate,
13 accurate, and timely information to the State for
14 purposes of carrying out subsection (d). The criteria
15 shall also provide for annual review and renewal of
16 eligibility under this section for providers of training
17 services.

18 “(3) LOCAL CRITERIA.—A local board in the
19 State may establish criteria in addition to the cri-
20 teria established by the Governor, or may require
21 higher levels of performance than required under the
22 criteria established by the Governor, for purposes of
23 determining the eligibility of providers of training
24 services to receive funds described in subsection (a)
25 to provide the services in the local areas involved.

1 “(c) PROCEDURES.—The procedures established
2 under subsection (a) shall identify the application process
3 for a provider of training services to become eligible to
4 receive funds provided under section 133(b) for the provi-
5 sion of training services, and identify the respective roles
6 of the State and local areas in receiving and reviewing the
7 applications and in making determinations of such eligi-
8 bility based on the criteria established under this section.
9 The procedures shall also establish a process for a pro-
10 vider of training services to appeal a denial or termination
11 of eligibility under this section, that includes an oppor-
12 tunity for a hearing and prescribes appropriate time limits
13 to ensure prompt resolution of the appeal.

14 “(d) INFORMATION TO ASSIST PARTICIPANTS IN
15 CHOOSING PROVIDERS.—

16 “(1) IN GENERAL.—In order to facilitate and
17 assist participants in choosing employment and
18 training activities under chapter 5 and in choosing
19 providers of training services, the Governor shall en-
20 sure that an appropriate list of providers determined
21 to be eligible under this section in the State, accom-
22 panied by appropriate information provided by pro-
23 viders of training in the State in accordance with
24 subsection (b) and such other information as the
25 Governor determines is appropriate, including infor-

1 mation on program costs for participants in applica-
2 ble programs, is provided to the one-stop delivery
3 system in the State. The list and the information
4 shall be made available to such participants and to
5 members of the public through the one-stop delivery
6 system in the State.

7 “(2) SPECIAL RULE.—An entity that carries
8 out programs under the Act of August 16, 1937
9 (commonly known as the ‘National Apprenticeship
10 Act’, 50 Stat. 664, chapter 663; 29 U.S.C. 50 et
11 seq.) shall be included on the list of eligible pro-
12 viders described in paragraph (1) for so long as such
13 entity remains certified by the Department of Labor.

14 “(e) ENFORCEMENT.—

15 “(1) IN GENERAL.—The criteria and proce-
16 dures established under this section shall provide the
17 following:

18 “(A) INTENTIONALLY SUPPLYING INAC-
19 CURATE INFORMATION.—Upon a determination
20 that a provider of training services, or indi-
21 vidual providing information on behalf of the
22 provider, intentionally supplied inaccurate infor-
23 mation under this section, the eligibility of such
24 provider to receive funds under chapter 5 shall

1 be terminated for a period of time that is not
 2 less than 2 years.

3 “(B) SUBSTANTIAL VIOLATIONS.—Upon a
 4 determination that a provider of training serv-
 5 ices substantially violated any requirement
 6 under this title, the eligibility of such provider
 7 to receive funds under the program involved
 8 may be terminated, or other appropriate action
 9 may be taken.

10 “(C) REPAYMENT.—A provider of training
 11 services whose eligibility is terminated under
 12 subparagraph (A) or (B) shall be liable for the
 13 repayment of funds received under chapter 5
 14 during a period of noncompliance described in
 15 such paragraph.

16 “(2) CONSTRUCTION.—Paragraph (1) shall be
 17 construed to provide remedies and penalties that
 18 supplement, but do not supplant, other civil and
 19 criminal remedies and penalties.”.

20 “(f) AGREEMENTS WITH OTHER STATES.—States
 21 may enter into agreements, on a reciprocal basis, to per-
 22 mit eligible providers of training services to accept career
 23 scholarship accounts provided in another State.

24 “(g) OPPORTUNITY TO SUBMIT COMMENTS.—In es-
 25 tablishing criteria, procedures, and information required

1 under this section, the Governor shall provide an oppor-
 2 tunity for interested members of the public to make rec-
 3 ommendations and submit comments regarding such cri-
 4 teria, procedures, and information.

5 “(h) TRANSITION PERIOD FOR IMPLEMENTATION.—
 6 The requirements of this section shall be implemented not
 7 later than December 31, 2004. In order to facilitate early
 8 implementation of this section, the Governor may establish
 9 transition procedures under which providers eligible to
 10 provide training services under chapter 5 of this title as
 11 such chapter was in effect on the day before the date of
 12 enactment of the Workforce Investment Act Amendments
 13 of 2003 may continue to be eligible to provide such serv-
 14 ices until December 31, 2004, or until such earlier date
 15 as the Governor determines appropriate.

16 “(i) ON-THE-JOB TRAINING OR CUSTOMIZED TRAIN-
 17 ING EXCEPTION.—

18 “(1) IN GENERAL.—Providers of on-the-job
 19 training or customized training shall not be subject
 20 to the requirements of subsections (a) through (h).

21 “(2) COLLECTION AND DISSEMINATION OF IN-
 22 FORMATION.—A one-stop operator in a local area
 23 shall collect such performance information from on-
 24 the-job training and customized training providers
 25 as the Governor may require, determine whether the

1 providers meet such performance criteria as the Gov-
2 ernor may require, and disseminate information
3 identifying providers that meet the criteria as eligi-
4 ble providers, and the performance information,
5 through the one-stop delivery system. Providers de-
6 termined to meet the criteria shall be considered to
7 be identified as eligible providers of training serv-
8 ices.”.

9 **SEC. 119. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.**

10 Section 123 (29 U.S.C. 2843) is amended to read as
11 follows:

12 **“SEC. 123. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.**

13 “(a) IN GENERAL.—From the funds allocated under
14 section 128(b) to a local area, the local board for such
15 area shall award grants or contracts on a competitive basis
16 to providers of youth activities identified based on the cri-
17 teria in the State plan described in section 112 and shall
18 conduct oversight with respect to such providers.

19 “(b) EXCEPTIONS.—A local board may award grants
20 or contracts on a sole-source basis if such board deter-
21 mines there is an insufficient number of eligible providers
22 of youth activities in the local area involved (such as a
23 rural area) for grants and contracts to be awarded on a
24 competitive basis under subsection (a).”.

1 **SEC. 120. YOUTH ACTIVITIES.**

2 (a) STATE ALLOTMENTS.—Section 127 (29 U.S.C.
3 2852) is amended—

4 (1) in subsection (a)(1), by striking “oppor-
5 tunity” and inserting “challenge”; and

6 (2) by striking subsection (b) and inserting the
7 following:

8 “(b) ALLOTMENT AMONG STATES.—

9 “(1) YOUTH ACTIVITIES.—

10 “(A) YOUTH CHALLENGE GRANTS.—

11 “(i) IN GENERAL.—For each fiscal
12 year in which the amount appropriated
13 under section 137(a) exceeds
14 \$1,000,000,000, the Secretary shall re-
15 serve a portion of the amount to provide
16 youth challenge grants and other activities
17 under section 169 (relating to youth chal-
18 lenge grants) and provide youth activities
19 under section 167 (relating to migrant and
20 seasonal farmworker programs).

21 “(ii) PORTION.—The portion referred
22 to in clause (i) shall equal, for a fiscal
23 year—

24 “(I) except as provided in sub-
25 clause (II), the difference obtained by
26 subtracting \$1,000,000,000 from the

1 amount appropriated under section
2 137(a) for the fiscal year; or

3 “(II) for any fiscal year in which
4 the amount is \$1,250,000,000 or
5 greater, \$250,000,000.

6 “(iii) YOUTH ACTIVITIES FOR FARM-
7 WORKERS.—The Secretary shall reserve
8 the greater of \$10,000,000 or 4 percent of
9 the portion described in clause (i) for a fis-
10 cal year to provide youth activities under
11 section 167.

12 “(iv) NATIVE AMERICANS.—From the
13 remainder of the amount appropriated
14 under section 137(a) for each fiscal year
15 the Secretary shall reserve not more than
16 1½ percent of such amount to provide
17 youth activities under section 166 (relating
18 to native Americans).

19 “(B) OUTLYING AREAS.—

20 “(i) IN GENERAL.—From the amount
21 made available under subsection (a)(2) for
22 each fiscal year the Secretary shall reserve
23 not more than ¼ of 1 percent of the
24 amount appropriated under section 137(a)
25 for the fiscal year to provide assistance to

1 the outlying areas to carry out youth ac-
2 tivities and statewide workforce investment
3 activities.

4 “(ii) LIMITATION FOR FREELY ASSO-
5 CIATED STATES.—

6 “(I) COMPETITIVE GRANTS.—

7 The Secretary shall use funds de-
8 scribed in clause (i)(II) to award
9 grants to Guam, American Samoa,
10 the Commonwealth of the Northern
11 Mariana Islands, and the Freely Asso-
12 ciated States to carry out youth ac-
13 tivities and statewide workforce in-
14 vestment activities.

15 “(II) AWARD BASIS.—The Sec-
16 retary shall award grants pursuant to
17 subclause (I) on a competitive basis
18 and pursuant to the recommendations
19 of experts in the field of employment
20 and training, working through the Pa-
21 cific Region Educational Laboratory
22 in Honolulu, Hawaii.

23 “(III) ASSISTANCE REQUIRE-
24 MENTS.—Any Freely Associated State
25 that desires to receive assistance

1 under this subparagraph shall submit
2 an application to the Secretary and
3 shall include in the application for as-
4 sistance—

5 “(aa) information dem-
6 onstrating that the Freely Asso-
7 ciated State will meet all condi-
8 tions that apply to States under
9 this title;

10 “(bb) an assurance that,
11 notwithstanding any other provi-
12 sion of this title, the Freely Asso-
13 ciated State will use such assist-
14 ance only for the direct provision
15 of services; and

16 “(cc) such other information
17 and assurances as the Secretary
18 may require.

19 “(IV) ADMINISTRATIVE COSTS.—
20 The Secretary may provide not more
21 than 5 percent of the funds made
22 available for grants under subclause
23 (I) to pay the administrative costs of
24 the Pacific Region Educational Lab-
25 oratory in Honolulu, Hawaii, regard-

1 ing activities assisted under this
2 clause.

3 “(iii) ADDITIONAL REQUIREMENT.—

4 The provisions of Public Law 95–134, per-
5 mitting the consolidation of grants by the
6 outlying areas, shall not apply to assist-
7 ance provided to those areas, including the
8 Freely Associated States, under this sub-
9 paragraph.

10 “(C) STATES.—

11 “(i) IN GENERAL.—From the remain-
12 der of the amount appropriated under sec-
13 tion 137(a) for a fiscal year that exists
14 after the Secretary determines the
15 amounts to be reserved under subpara-
16 graphs (A) and (B), the Secretary shall
17 allot to the States—

18 “(I) an amount of the remainder
19 that is less than or equal to the total
20 amount that was allotted to States for
21 fiscal year 2003 under section
22 127(b)(1)(C) of this Act (as in effect
23 on the day before the date of enact-
24 ment of the Workforce Investment Act
25 Amendments of 2003), in accordance

1 with the requirements of such section
2 127(b)(1)(C); and

3 “(II) the amount of the remain-
4 der, if any, in excess of the amount
5 referred to in subclause (I), in accord-
6 ance with clause (ii).

7 “(ii) FORMULA.—Subject to clauses
8 (iii) and (iv), of the amount described in
9 clause (i)(II)—

10 “(I) $33\frac{1}{3}$ percent shall be allot-
11 ted on the basis of the relative num-
12 ber of individuals in the civilian labor
13 force who are ages 16 through 21 in
14 each State, compared to the total
15 number of individuals in the civilian
16 labor force who are ages 16 through
17 21 in all States;

18 “(II) $33\frac{1}{3}$ percent shall be allot-
19 ted on the basis of the relative num-
20 ber of unemployed individuals in each
21 State, compared to the total number
22 of unemployed individuals in all
23 States; and

24 “(III) $33\frac{1}{3}$ percent shall be allot-
25 ted on the basis of the relative num-

1 ber of disadvantaged youth who are
2 ages 16 through 21 in each State,
3 compared to the total number of dis-
4 advantaged youth who are ages 16
5 through 21 in all States.

6 “(iii) MINIMUM AND MAXIMUM PER-
7 CENTAGES.—

8 “(I) MINIMUM PERCENTAGE.—

9 The Secretary shall ensure that no
10 State shall receive an allotment per-
11 centage under this subparagraph for a
12 fiscal year that is less than 90 percent
13 of the allotment percentage of the
14 State for the preceding fiscal year.

15 “(II) MAXIMUM PERCENTAGE.—

16 Subject to subclause (I), the Secretary
17 shall ensure that no State shall re-
18 ceive an allotment percentage under
19 this subparagraph for a fiscal year
20 that is more than 130 percent of the
21 allotment percentage of the State for
22 the preceding fiscal year.

23 “(iv) SMALL STATE MINIMUM ALLOT-
24 MENT.—Subject to clause (iii), the Sec-
25 retary shall ensure that no State shall re-

1 ceive an allotment under this subparagraph
 2 that is less than the total of—

3 “(I) $\frac{3}{10}$ of 1 percent of
 4 \$1,000,000,000 of the remainder de-
 5 scribed in clause (i) for the fiscal
 6 year; and

7 “(II) if the remainder described
 8 in clause (i) for the fiscal year exceeds
 9 \$1,000,000,000, $\frac{2}{5}$ of 1 percent of
 10 the excess.

11 “(2) DEFINITIONS.—For the purposes of para-
 12 graph (1):

13 “(A) ALLOTMENT PERCENTAGE.—The
 14 term ‘allotment percentage’, used with respect
 15 to fiscal year 2004 or a subsequent fiscal year,
 16 means a percentage of the remainder described
 17 in paragraph (1)(C)(i) that is received by the
 18 State involved through an allotment made
 19 under this subsection for the fiscal year. The
 20 term, used with respect to fiscal year 2003,
 21 means the percentage of the amounts allotted
 22 to States under this chapter (as in effect on the
 23 day before the date of enactment of the Work-
 24 force Investment Act Amendments of 2003)

1 that is received by the State involved for fiscal
2 year 2003.

3 “(B) DISADVANTAGED YOUTH.—Subject to
4 paragraph (3), the term ‘disadvantaged youth’
5 means an individual who is age 16 through 21
6 who received an income, or is a member of a
7 family that received a total family income, that,
8 in relation to family size, does not exceed the
9 poverty line.

10 “(C) FREELY ASSOCIATED STATES.—The
11 term ‘Freely Associated States’ means the Re-
12 public of the Marshall Islands, the Federated
13 States of Micronesia, and the Republic of
14 Palau.

15 “(3) SPECIAL RULE.—For purposes of the for-
16 mula specified in paragraph (1)(C), the Secretary
17 shall, as appropriate and to the extent practicable,
18 exclude college students and members of the Armed
19 Forces from the determination of the number of dis-
20 advantaged youth.”.

21 (b) REALLOTMENT.—

22 (1) AMENDMENT.—Section 127(c) (29 U.S.C.
23 2852(c)) is amended—

24 (A) by striking paragraph (2) and insert-
25 ing the following:

1 “(2) AMOUNT.—The amount available for real-
 2 lotment for a program year is equal to the amount
 3 by which the unexpended balance at the end of the
 4 program year prior to the program year for which
 5 the determination is made exceeds 30 percent of the
 6 total amount of funds available to the State under
 7 this section during such prior program year (includ-
 8 ing amounts allotted to the State in all prior pro-
 9 gram years that remained available). For purposes
 10 of this paragraph, the unexpended balance is the
 11 amount that is the difference between—

12 “(A) the total amount of funds available to
 13 the State under this section during the program
 14 year prior to the program year for which the
 15 determination is made (including amounts allot-
 16 ted to the State in all prior program years that
 17 remained available); and

18 “(B) the accrued expenditures during such
 19 prior program year.”;

20 (B) in paragraph (3)—

21 (i) by striking “for the prior program
 22 year” and inserting “for the program year
 23 for which the determination is made”; and

24 (ii) by striking “such prior program
 25 year” and inserting “such program year”;

1 (C) by striking paragraph (4) and insert-
 2 ing the following:

3 “(4) ELIGIBILITY.—For purposes of this sub-
 4 section, an eligible State means a State that does
 5 not have an amount available for reallocation under
 6 paragraph (2) for the program year for which the
 7 determination under paragraph (2) is made.”; and

8 (D) in paragraph (5), by striking “obligation”
 9 and inserting “expenditure”.

10 (2) EFFECTIVE DATE.—The amendments made
 11 by paragraph (1)(C) shall take effect for the later
 12 of—

13 (A) the program year that begins after the
 14 date of enactment of this Act; or

15 (B) program year 2004.

16 (c) WITHIN STATE ALLOCATIONS.—

17 (1) RESERVATION FOR STATEWIDE ACTIVITIES.—Section 128(a) (29 U.S.C. 2853(a)) is
 18 amended to read as follows:
 19

20 “(a) RESERVATIONS FOR STATEWIDE ACTIVITIES.—

21 “(1) IN GENERAL.—The Governor of a State
 22 shall reserve not more than 15 percent of each of
 23 the amounts allotted to the State under section
 24 127(b)(1)(C) and paragraphs (1)(B) and (2)(B) of

1 section 132(b) for a fiscal year for statewide work-
 2 force investment activities.

3 “(2) USE OF FUNDS.—Regardless of whether
 4 the reserved amounts were allotted under section
 5 127(b)(1)(C), or under paragraph (1)(B) or (2)(B)
 6 of section 132(b), the Governor may use the re-
 7 served amounts to carry out statewide youth activi-
 8 ties under section 129(b) or statewide employment
 9 and training activities, for adults or dislocated work-
 10 ers, under section 134(a).”.

11 (2) WITHIN STATE ALLOCATION.—Section
 12 128(b) (29 U.S.C. 2853(b)) is amended to read as
 13 follows:

14 “(b) WITHIN STATE ALLOCATIONS.—

15 “(1) IN GENERAL.—Of the amount allotted to
 16 the State under section 127(b)(1)(C) and not re-
 17 served under subsection (a)(1)—

18 “(A) a portion equal to not less than 80
 19 percent of such amount shall be allocated by
 20 the Governor to local areas in accordance with
 21 paragraph (2); and

22 “(B) a portion equal to not more than 20
 23 percent of such amount may be allocated by the
 24 Governor to local areas in accordance with
 25 paragraph (3).

1 “(2) ESTABLISHED FORMULA.—

2 “(A) IN GENERAL.—Of the portion de-
3 scribed in paragraph (1)(A), the Governor shall
4 allocate—

5 “(i) $33\frac{1}{3}$ percent on the basis of the
6 relative number of individuals in the civil-
7 ian labor force who are ages 16 through 21
8 in each local area, compared to the total
9 number of individuals in the civilian labor
10 force who are ages 16 through 21 in all
11 local areas in the State;

12 “(ii) $33\frac{1}{3}$ percent on the basis of the
13 relative number of unemployed individuals
14 in each local area, compared to the total
15 number of unemployed individuals in all
16 local areas in the State; and

17 “(iii) $33\frac{1}{3}$ percent on the basis of the
18 relative number of disadvantaged youth
19 who are ages 16 through 21 in each local
20 area, compared to the total number of dis-
21 advantaged youth who are ages 16 through
22 21 in all local areas in the State.

23 “(B) MINIMUM AND MAXIMUM PERCENT-
24 AGES.—

1 “(i) MINIMUM PERCENTAGE.—The
 2 Governor shall ensure that no local area
 3 shall receive an allocation percentage under
 4 this paragraph for a fiscal year that is less
 5 than 90 percent of the allocation percent-
 6 age of the local area for the preceding fis-
 7 cal year.

8 “(ii) MAXIMUM PERCENTAGE.—Sub-
 9 ject to clause (i), the Governor shall ensure
 10 that no local area shall receive an alloca-
 11 tion percentage under this paragraph for a
 12 fiscal year that is more than 130 percent
 13 of the allocation percentage of the local
 14 area for the preceding fiscal year.

15 “(C) DEFINITIONS.—In this paragraph:

16 “(i) ALLOCATION PERCENTAGE.—The
 17 term ‘allocation percentage’, used with re-
 18 spect to fiscal year 2004 or a subsequent
 19 fiscal year, means a percentage of the por-
 20 tion described in paragraph (1)(A) that is
 21 received by the local area involved through
 22 an allocation made under this paragraph
 23 for the fiscal year. The term, used with re-
 24 spect to fiscal year 2003, means the per-
 25 centage of the amounts allocated to local

1 areas under this chapter (as in effect on
 2 the day before the date of enactment of the
 3 Workforce Investment Act Amendments of
 4 2003) that is received by the local area in-
 5 volved for fiscal year 2003.

6 “(ii) DISADVANTAGED YOUTH.—The
 7 term ‘disadvantaged youth’ means an indi-
 8 vidual who—

9 “(I) is age 16 through 21;

10 “(II) is not a college student or
 11 member of the Armed Forces; and

12 “(III) received an income, or is a
 13 member of a family that received a
 14 total family income, that, in relation
 15 to family size, does not exceed the
 16 poverty line.

17 “(3) YOUTH DISCRETIONARY ALLOCATION.—

18 The Governor may allocate the portion described in
 19 paragraph (1)(B) to local areas where there are a
 20 significant number of eligible youth, after consulta-
 21 tion with the State board and local board.

22 “(4) LOCAL ADMINISTRATIVE COST LIMIT.—

23 “(A) IN GENERAL.—Of the amount allo-
 24 cated to a local area under this subsection and
 25 section 133(b) for a fiscal year, not more than

1 10 percent of the amount may be used by the
 2 local board involved for the administrative costs
 3 of carrying out local workforce investment ac-
 4 tivities under this chapter or chapter 5.

5 “(B) USE OF FUNDS.—Funds made avail-
 6 able for administrative costs under subpara-
 7 graph (A) may be used for the administrative
 8 costs of any of the local workforce investment
 9 activities described in this chapter or chapter 5,
 10 regardless of whether the funds were allocated
 11 under this subsection or section 133(b).”.

12 (3) REALLOCATION.—

13 (A) AMENDMENT.—Section 128(c) (29
 14 U.S.C. 2853(c)) is amended—

15 (i) in paragraph (1), by striking
 16 “paragraph (2)(A) or (3) of”;

17 (ii) by striking paragraph (2) and in-
 18 serting the following:

19 “(2) AMOUNT.—The amount available for re-
 20 allocation for a program year is equal to the amount
 21 by which the unexpended balance at the end of the
 22 program year prior to the program year for which
 23 the determination is made exceeds 30 percent of the
 24 total amount of funds available to the local area
 25 under this section during such prior program year

(including amounts allocated to the local area in all prior program years that remained available). For purposes of this paragraph, the unexpended balance is the amount that is the difference between—

“(A) the total amount of funds available to the local area under this section during the program year prior to the program year for which the determination is made (including amounts allocated to the local area in all prior program years that remained available); and

“(B) the accrued expenditures during such prior program year.”;

(iii) by amending paragraph (3)—

(I) by striking “subsection (b)(3)” each place it appears and inserting “subsection (b)”;

(II) by striking “for the prior program year” and inserting “for the program year for which the determination is made”;

(III) by striking “such prior program year” and inserting “such program year”; and

(IV) by striking the last sentence; and

1 (iv) by striking paragraph (4) and in-
 2 serting the following:

3 “(4) ELIGIBILITY.—For purposes of this sub-
 4 section, an eligible local area means a local area that
 5 does not have an amount available for reallocation
 6 under paragraph (2) for the program year for which
 7 the determination under paragraph (2) is made.”.

8 (B) EFFECTIVE DATE.—The amendments
 9 made by subparagraph (A) shall take effect for
 10 the later of—

11 (i) the program year that begins after
 12 the date of enactment of this Act; or

13 (ii) program year 2004.

14 (d) YOUTH PARTICIPANT ELIGIBILITY.—Section
 15 129(a) (29 U.S.C. 2854(a)) is amended to read as follows:

16 “(a) YOUTH PARTICIPANT ELIGIBILITY.—

17 “(1) ELIGIBILITY.—

18 “(A) IN GENERAL.—To be eligible to par-
 19 ticipate in activities carried out under this
 20 chapter during any program year an individual
 21 shall, at the time the eligibility determination is
 22 made, be an out-of-school youth or an in-school
 23 youth.

1 “(B) OUT-OF-SCHOOL YOUTH.—In this
2 section the term ‘out-of-school youth’ means an
3 individual who is—

4 “(i) not younger than age 16 (subject
5 to paragraph (3)) nor older than age 21;
6 and

7 “(ii) one of the following:

8 “(I) A school dropout.

9 “(II) A youth who is within the
10 age for compulsory school attendance,
11 but has not attended school for at
12 least 1 school year calendar quarter.

13 “(III) A recipient of a secondary
14 school diploma or its equivalent who
15 is—

16 “(aa) deficient in basic
17 skills, including limited English
18 proficiency;

19 “(bb) a low-income indi-
20 vidual; and

21 “(cc) not attending any
22 school; or

23 “(IV) Subject to the juvenile jus-
24 tice system or ordered by a court to
25 an alternative school.

1 “(V) A low-income individual who
2 is pregnant or parenting and not at-
3 tending any school.

4 “(VI) A youth who is not attend-
5 ing school or a youth attending an al-
6 ternative school, who is homeless, a
7 runaway, a foster child, a child eligi-
8 ble for assistance under section 477 of
9 the Social Security Act, or in an out-
10 of-home placement.

11 “(C) IN-SCHOOL YOUTH.—In this section
12 the term ‘in-school youth’ means an individual
13 who is—

14 “(i) not younger than age 14 nor
15 older than age 21;

16 “(ii) a low-income individual; and

17 “(iii) one or more of the following:

18 “(I) Deficient in basic literacy
19 skills, including limited English pro-
20 ficiency.

21 “(II) Homeless, a runaway, a
22 foster child, a child eligible for assist-
23 ance under section 477 of the Social
24 Security Act, or in an out-of-home
25 placement.

1 “(III) Pregnant or parenting.

2 “(IV) An offender (other than an
3 individual described in subparagraph
4 (B)(ii)(IV)).

5 “(V) An individual who requires
6 additional assistance to complete an
7 educational program, or to secure or
8 hold employment.

9 “(2) EXCEPTION.—Not more than 5 percent of
10 the individuals assisted under this section in each
11 local area may be individuals who are not low-in-
12 come with respect to individuals for whom low-in-
13 come is a requirement for eligibility under this sec-
14 tion.

15 “(3) LIMITATIONS ON ACTIVITIES FOR IN-
16 SCHOOL YOUTH.—

17 “(A) IN GENERAL.—For any program
18 year, not more than 60 percent of the funds
19 available for statewide activities that serve
20 youth under subsection (b), and not more than
21 60 percent of funds available to local areas
22 under subsection (c), may be used to provide
23 activities for in-school youth meeting the re-
24 quirements of paragraph (1)(B).

“(B) EXCEPTION.—A State that receives a minimum allotment under section 127(b)(1) in accordance with section 127(b)(1)(C)(iv)(II) or under section 132(b)(1) in accordance with section 132(b)(1)(B)(iv)(II) may increase the percentage described in subparagraph (A) for a local area in the State, if—

“(i) after an analysis of the eligible youth population in the local area, the State determines that the local area will be unable to use at least 40 percent of the funds available for activities that serve youth under subsection (b) to serve out-of-school youth due to a low number of out-of-school youth; and

“(ii)(I) the State submits to the Secretary, for the local area, a request including a proposed reduced percentage for purposes of subparagraph (A), and the summary of the eligible youth population analysis; and

“(II) the request is approved by the Secretary.

“(4) CONSISTENCY WITH COMPULSORY SCHOOL ATTENDANCE LAWS.—In providing assistance under

1 this section to an individual who is required to at-
 2 tend school under applicable State compulsory school
 3 attendance laws, the priority in providing such as-
 4 sistance shall be for the individual to attend school
 5 regularly.”.

6 (e) STATEWIDE ACTIVITIES.—Section 129(b) (29
 7 U.S.C. 2854(b)) is amended to read as follows:

8 “(b) STATEWIDE ACTIVITIES.—

9 “(1) IN GENERAL.—Funds reserved by a Gov-
 10 ernor for a State as described in sections 128(a) and
 11 133(a)(1) shall be used, regardless of whether the
 12 funds were allotted to the State under section
 13 127(b)(1)(C) or under paragraph (1) or (2) of sec-
 14 tion 132(b) for statewide activities, which may in-
 15 clude—

16 “(A) conducting—

17 “(i) evaluations under section 136(e)
 18 of activities authorized under this chapter
 19 and chapter 5 in coordination with evalua-
 20 tions carried out by the Secretary under
 21 section 172;

22 “(ii) research; and

23 “(iii) demonstration projects;

24 “(B) providing incentive grants to local
 25 areas for regional cooperation among local

1 boards (including local boards in a designated
2 region as described in section 116(c)), for local
3 coordination of activities carried out under this
4 title, and for exemplary performance by local
5 areas under section 136(i)(2);

6 “(C) providing technical assistance and ca-
7 pacity building activities to local areas, one-stop
8 operators, one-stop partners, and eligible pro-
9 viders, including the development and training
10 of staff, the development of exemplary program
11 activities, the provision of technical assistance
12 to local areas that fail to meet local perform-
13 ance measures described in section 136(c), and
14 the provision of technology to facilitate remote
15 access to services provided through one-stop de-
16 livery systems;

17 “(D) operating a fiscal and management
18 accountability information system under section
19 136(f);

20 “(E) carrying out monitoring and over-
21 sight of activities carried out under this chapter
22 and chapter 5, which may include a review com-
23 paring the services provided to male and female
24 youth;

1 “(F) providing additional assistance to
2 local areas that have high concentrations of eli-
3 gible youth;

4 “(G) supporting the development of alter-
5 native programs and other activities that en-
6 hance the choices available to eligible youth and
7 encourage such youth to reenter secondary edu-
8 cation, enroll in postsecondary education and
9 advanced training, and obtain career path em-
10 ployment; and

11 “(H) supporting the provision of core serv-
12 ices described in section 134(d)(2) in the one-
13 stop delivery system in the State;

14 “(2) LIMITATION.—Not more than 5 percent of
15 the funds allotted to a State under section
16 127(b)(1)(C) shall be used by the State for adminis-
17 trative activities carried out under this subsection or
18 section 134(a).

19 “(3) PROHIBITION.—No funds described in this
20 subsection may be used to develop or implement
21 education curricula for school systems in the
22 State.”.

23 (f) LOCAL ELEMENTS AND REQUIREMENTS.—

24 (1) PROGRAM DESIGN.—Section 129(c)(1) (29
25 U.S.C. 2854(c)(1)) is amended—

1 (A) in the matter that precedes subpara-
 2 graph (A), by striking “paragraph (2)(A) or
 3 (3), as appropriate, of”;

4 (B) in subparagraph (B), by inserting “are
 5 directly linked to 1 or more of the performance
 6 measures relating to this chapter under section
 7 136, and that” after “for each participant
 8 that”; and

9 (C) in subparagraph (C)—

10 (i) by redesignating clauses (i)
 11 through (iv) as clauses (ii) through (v), re-
 12 spectively;

13 (ii) by inserting before clause (ii) (as
 14 redesignated by clause (i)) the following:

15 “(i) activities leading to the attain-
 16 ment of a secondary school diploma or its
 17 equivalent, or another recognized creden-
 18 tial;”;

19 (iii) in clause (ii) (as redesignated by
 20 clause (i)), by inserting “and advanced
 21 training” after “opportunities”;

22 (iv) in clause (iii) (as redesignated by
 23 clause (i))—

24 (I) by inserting “instruction
 25 based on State academic content and

1 student academic achievement stand-
 2 ards established under section 1111 of
 3 the Elementary and Secondary Edu-
 4 cation Act of 1965 (20 U.S.C. 6311)”
 5 after “academic”; and

6 (II) by inserting “that lead to the
 7 attainment of recognized credentials”
 8 after “learning”; and

9 (v) by striking clause (v) (as redesign-
 10 nated by clause (i)) and inserting the fol-
 11 lowing:

12 “(v) effective connections to all em-
 13 ployers, including small employers, in sec-
 14 tors of the local and regional labor markets
 15 that are experiencing high growth in em-
 16 ployment opportunities.”.

17 (2) PROGRAM ELEMENTS.—Section 129(c)(2)
 18 (29 U.S.C. 2854(c)(2)) is amended—

19 (A) in subparagraph (A), by striking “sec-
 20 ondary school, including dropout prevention
 21 strategies” and inserting “the requirements for
 22 a secondary school diploma or its recognized
 23 equivalent (including recognized alternative
 24 standards for individuals with disabilities) or

1 for another recognized credential, including
2 dropout prevention strategies”;

3 (B) in subparagraph (B), by inserting “,
4 with a priority on exposing youth to technology
5 and nontraditional jobs” before the semicolon;

6 (C) in subparagraph (F), by striking “dur-
7 ing nonschool hours”;

8 (D) in subparagraph (I), by striking “and”
9 at the end;

10 (E) in subparagraph (J), by striking the
11 period at the end and inserting a semicolon;
12 and

13 (F) by adding at the end the following:

14 “(K) on-the-job training opportunities;

15 “(L) opportunities to acquire financial lit-
16 eracy skills;

17 “(M) entrepreneurial skills training and
18 microenterprise services; and

19 “(N) information about average wages for
20 a range of jobs available in the local area, in-
21 cluding technology jobs.”.

22 (3) ADDITIONAL REQUIREMENTS.—Section
23 129(c)(3)(A) (29 U.S.C. 2854(c)(3)(A)) is amended
24 in the matter preceding clause (i) by striking “or ap-

1 plicant who meets the minimum income criteria to
2 be considered an eligible youth”.

3 (4) PRIORITY AND EXCEPTIONS.—Section
4 129(c) (29 U.S.C. 2854(c)) is amended by striking
5 paragraphs (4) and (5).

6 (5) PROHIBITIONS AND LINKAGES.—Section
7 129(c) (29 U.S.C. 2854(c)), as amended by para-
8 graph (4), is further amended—

9 (A) by redesignating paragraphs (6), (7),
10 and (8) as paragraphs (4), (5), and (6), respec-
11 tively;

12 (B) in paragraph (4) (as redesignated by
13 subparagraph (A))—

14 (i) by striking subparagraph (B); and

15 (ii) by redesignating subparagraph

16 (C) as subparagraph (B); and

17 (C) in paragraph (5) (as redesignated by
18 subparagraph (A)), by striking “youth councils”
19 and inserting “local boards”.

20 **SEC. 121. ADULT AND DISLOCATED WORKER EMPLOYMENT**
21 **AND TRAINING ACTIVITIES.**

22 (a) STATE ALLOTMENTS.—

23 (1) RESERVATIONS.—Section 132(a)(2)(A) is
24 amended by striking “national emergency grants”
25 and inserting “national dislocated worker grants”.

1 (2) ALLOTMENT AMONG STATES.—Section
2 132(b) (29 U.S.C. 2862(b)) is amended—

3 (A) in paragraph (1)(A)(ii), by striking
4 “section 127(b)(1)(B)” and all that follows and
5 inserting “section 127(b)(1)(D).”;

6 (B) by striking paragraph (1)(B)(ii) and
7 inserting the following:

8 “(ii) FORMULA.—Subject to clauses
9 (iii) and (iv), of the remainder—

10 “(I) 40 percent shall be allotted
11 on the basis of the relative number of
12 unemployed individuals in areas of
13 substantial unemployment in each
14 State, compared to the total number
15 of unemployed individuals in areas of
16 substantial unemployment in all
17 States;

18 “(II) 25 percent shall be allotted
19 on the basis of the relative number of
20 individuals in the civilian labor force
21 in each State, compared to the total
22 number of such individuals in all
23 States; and

24 “(III) 35 percent shall be allotted
25 on the basis of the relative number of

1 disadvantaged adults in each State,
 2 compared to the total number of dis-
 3 advantaged adults in all States, except
 4 as described in clause (iii).”;

5 (C) in paragraph (1)(B)(iii), by striking
 6 “section 116(a)(2)(B)” and inserting “section
 7 116(a)(2)(A)(ii)”;

8 (D) in paragraph (2)(A)(ii), by striking
 9 “section 127(b)(1)(B)” and all that follows and
 10 inserting “section 127(b)(1)(D).”.

11 (3) REALLOTMENT.—Section 132(c) (29 U.S.C.
 12 2862(c)) is amended—

13 (A) by striking paragraph (2) and insert-
 14 ing the following:

15 “(2) AMOUNT.—The amount available for real-
 16 lotment for a program year for programs funded
 17 under subsection (b)(1)(B) (relating to adult em-
 18 ployment and training) and subsection (b)(2)(B) (re-
 19 lating to dislocated worker employment and train-
 20 ing), respectively, is equal to the amount by which
 21 the unexpended balance at the end of the program
 22 year prior to the program year for which the deter-
 23 mination is made exceeds 30 percent of the total
 24 amount of funds available to the State under sub-
 25 section (b)(1)(B) or (b)(2)(B), respectively, during

1 such prior program year (including amounts allotted
 2 to the State in all prior program years under such
 3 provisions that remained available). For purposes of
 4 this paragraph, the unexpended balance is the
 5 amount that is the difference between—

6 “(A) the total amount of funds available to
 7 the State under subsection (b)(1)(B) or
 8 (b)(2)(B), respectively, during the program year
 9 prior to the program year for which the deter-
 10 mination is made (including amounts allotted to
 11 the State in all prior program years under such
 12 provisions that remained available); and

13 “(B) the accrued expenditures from such
 14 total amount of funds available under sub-
 15 section (b)(1)(B) or (b)(2)(B), respectively,
 16 during such prior program year.”;

17 (B) in paragraph (3)—

18 (i) by striking “under this section for
 19 such activities for the prior program year”
 20 and inserting “under subsection (b)(1)(B)
 21 or (b)(2)(B), as appropriate, for the pro-
 22 gram year for which the determination is
 23 made”; and

24 (ii) by striking “under this subsection
 25 for such activities for such prior program

1 year” and inserting “under subsection
2 (b)(1)(B) or (b)(2)(B), as appropriate, for
3 such program year”;

4 (C) by striking paragraph (4) and insert-
5 ing the following:

6 “(4) ELIGIBILITY.—For purposes of this sub-
7 section, an eligible State means—

8 “(A) with respect to funds allotted under
9 subsection (b)(1)(B), a State that does not have
10 an amount of such funds available for reallocot-
11 ment under paragraph (2) for the program year
12 for which the determination under paragraph
13 (2) is made; and

14 “(B) with respect to funds allotted under
15 subsection (b)(2)(B), a State that does not have
16 an amount of such funds available for reallocot-
17 ment under paragraph (2) for the program year
18 for which the determination under paragraph
19 (2) is made.”; and

20 (D) in paragraph (5), by striking “obliga-
21 tion” and inserting “expenditure”.

22 (4) EFFECTIVE DATE.—The amendments made
23 by paragraph (3) shall take effect for the later of—

24 (A) the program year that begins after the
25 date of enactment of this Act; or

1 (B) program year 2004.

2 (b) WITHIN STATE ALLOCATIONS.—

3 (1) ALLOCATION.—Section 133(b)(5)(B)(ii) (29
4 U.S.C. 2863(b)(5)(B)(ii)) is amended by striking
5 “section 134(c)” and inserting “section 121(e)”.

6 (2) REALLOCATION.—Section 133(c) (29
7 U.S.C. 2863(c)) is amended—

8 (A) in paragraph (1), by inserting “, and
9 under subsection (b)(2)(B) for dislocated work-
10 er employment and training activities,” after
11 “activities”;

12 (B) by striking paragraph (2) and insert-
13 ing the following:

14 “(2) AMOUNT.—The amount available for re-
15 allocation for a program year for programs funded
16 under paragraphs (2)(A) and (3) of subsection (b)
17 (relating to adult employment and training) and
18 subsection (b)(2)(B) (relating to dislocated worker
19 employment and training), respectively, is equal to
20 the amount by which the unexpended balance at the
21 end of the program year prior to the program year
22 for which the determination is made exceeds 30 per-
23 cent of the total amount of funds available to the
24 local area under paragraphs (2)(A) and (3) of sub-
25 section (b), or subsection (b)(2)(B), respectively,

1 during such prior program year (including amounts
2 allocated to the local area in all prior program years
3 under such provisions that remained available). For
4 purposes of this paragraph, the unexpended balance
5 is the amount that is the difference between—

6 “(A) the total amount of funds available to
7 the local area under paragraphs (2)(A) and (3)
8 of subsection (b), or subsection (b)(2)(B), re-
9 spectively, during the program year prior to the
10 program year for which the determination is
11 made (including amounts allotted to the local
12 area in all prior program years under such pro-
13 visions that remained available); and

14 “(B) the accrued expenditures from such
15 total amount of funds available under para-
16 graphs (2)(A) and (3) of subsection (b), or sub-
17 section (b)(2)(B), respectively, during such
18 prior program year.”;

19 (C) by striking paragraph (3) and insert-
20 ing the following:

21 “(3) REALLOCATION.—In making reallocations
22 to eligible local areas of amounts available pursuant
23 to paragraph (2) for a program year, the Governor
24 shall allocate to each eligible local area within the
25 State—

“(A) with respect to amounts that are available for reallocation under paragraph (2) that were allocated under paragraphs (2)(A) or (3) of subsection (b), an amount based on the relative amount allocated to such local area under paragraphs (2)(A) or (3) of subsection (b), as appropriate, for the program year for which the determination is made, as compared to the total amount allocated to all eligible local areas under paragraphs (2)(A) or (3) of subsection (b), as appropriate, of such program year; and

“(B) with respect to amounts that are available for reallocation under paragraph (2) that were allocated under subsection (b)(2)(B), an amount based on the relative amount allocated to such local area under subsection (b)(2)(B) for the program year for which the determination is made, as compared to the total amount allocated to all eligible local areas under subsection (b)(2)(B) for such program year.”; and

(D) by striking paragraph (4) and inserting the following:

1 “(4) ELIGIBILITY.—For purposes of this sub-
2 section, an eligible local area means—

3 “(A) with respect to funds allocated under
4 paragraphs (2)(A) or (3) of subsection (b), a
5 local area that does not have an amount of such
6 funds available for reallocation under paragraph
7 (2) for the program year for which the deter-
8 mination under paragraph (2) is made; and

9 “(B) with respect to funds allocated under
10 subsection (b)(2)(B), a local area that does not
11 have an amount of such funds available for re-
12 allocation under paragraph (2) for the program
13 year for which the determination under para-
14 graph (2) is made.”.

15 (3) EFFECTIVE DATE.—The amendments made
16 by paragraph (2) shall take effect for the later of—

17 (A) the program year that begins after the
18 date of enactment of this Act; or

19 (B) program year 2004.

20 (c) USE OF FUNDS FOR EMPLOYMENT AND TRAIN-
21 ING ACTIVITIES.—

22 (1) STATEWIDE EMPLOYMENT AND TRAINING
23 ACTIVITIES.—

1 (A) STATEWIDE RAPID RESPONSE ACTIVI-
2 TIES.—Section 134(a)(2)(A) (29 U.S.C.
3 2864(a)(2)(A)) is amended to read as follows:

4 “(A) STATEWIDE RAPID RESPONSE ACTIVI-
5 TIES.—

6 “(i) IN GENERAL.—A State shall
7 carry out statewide rapid response activi-
8 ties using funds reserved by a Governor for
9 a State under section 133(a)(2). Such ac-
10 tivities shall include—

11 “(I) provision of rapid response
12 activities, carried out in local areas by
13 the State or by an entity designated
14 by the State, working in conjunction
15 with the local boards and the chief
16 elected officials for the local areas;
17 and

18 “(II) provision of additional as-
19 sistance to local areas that experience
20 disasters, mass layoffs, or plant clos-
21 ings, or other events that precipitate
22 substantial increases in the number of
23 unemployed individuals, carried out in
24 local areas by the State, working in
25 conjunction with the local boards and

1 the chief elected officials for the local
2 areas.

3 “(ii) USE OF UNEXPENDED FUNDS.—
4 Funds reserved under section 133(a)(2) to
5 carry out this subparagraph that remain
6 unexpended after the first program year
7 for which such funds were allotted may be
8 used by the Governor to carry out state-
9 wide activities authorized under subpara-
10 graphs (B) and (C) in addition to activities
11 under this subparagraph.”.

12 (B) STATEWIDE EMPLOYMENT AND TRAIN-
13 ING ACTIVITIES.—Section 134(a)(2) (29 U.S.C.
14 2864(a)(2)) is amended by striking subpara-
15 graph (B) and inserting the following:

16 “(B) STATEWIDE EMPLOYMENT AND
17 TRAINING ACTIVITIES.—Funds reserved by a
18 Governor for a State under sections 128(a)(1)
19 and 133(a)(1) and not used under paragraph
20 (1)(A) shall be used for statewide employment
21 and training activities, including—

22 “(i) disseminating—

23 “(I) the State list of eligible pro-
24 viders of training services, including

1 eligible providers of nontraditional
2 training services;

3 “(II) information identifying eli-
4 gible providers of on-the-job training
5 and customized training;

6 “(III) performance information
7 and program cost information, as de-
8 scribed in subsections (e) and (h) of
9 section 122; and

10 “(IV) information on physical
11 and programmatic assessability for in-
12 dividuals with disabilities;

13 “(ii) conducting evaluations under
14 section 136(e) of activities authorized
15 under this chapter and chapter 5 in coordi-
16 nation with evaluations carried out by the
17 Secretary under section 172;

18 “(iii) providing incentive grants to
19 local areas in recognition of exceptional
20 achievement relating to—

21 “(I) regional cooperation among
22 local boards (including local boards in
23 a designated region as described in
24 section 116(c));

1 “(II) expanded local coordination
2 of programs and activities carried out
3 as part of a comprehensive workforce
4 investment system, including—

5 “(aa) coordination of em-
6 ployment services under the
7 Wagner-Peyser Act and core ac-
8 tivities under this title; and

9 “(bb) partner programs de-
10 scribed in section 121;

11 “(III) exemplary performance by
12 local areas as described in section
13 136(i)(2); and

14 “(IV) providing expanded access
15 to education and training services, es-
16 pecially through increased leveraging
17 of resources other than those provided
18 through programs under this title;

19 “(iv) providing technical assistance
20 and capacity building to local areas, one-
21 stop operators, one-stop partners, and eli-
22 gible providers, including the development
23 and training of staff, the development of
24 exemplary program activities, and the pro-
25 vision of technical assistance to local areas

that fail to meet local performance measures described in section 136(e), which may include the development and training of staff to provide opportunities for hard-to-serve populations to enter high-wage, high-skilled, and nontraditional occupations;

“(v) operating a fiscal and management accountability system under section 136(f); and

“(vi) carrying out monitoring and oversight of activities carried out under this chapter and chapter 4.”.

(C) ALLOWABLE STATEWIDE EMPLOYMENT

AND TRAINING ACTIVITIES.—Section 134(a)(3)(A) (29 U.S.C. 2864(a)(3)(A) is amended to read as follows:

“(A) IN GENERAL.—A State may use funds reserved as described in sections 128(a) and 133(a)(1) (regardless of whether the funds were allotted to the State under section 127(b)(1) or paragraph (1) or (2) of section 132(b)) to carry out additional statewide employment and training activities, which may include—

1 “(i) implementing innovative pro-
2 grams and strategies designed to meet the
3 needs of all businesses in the State, includ-
4 ing small businesses, which may include in-
5 cumbent worker training programs, sec-
6 toral and industry cluster strategies and
7 partnerships, including regional skills alli-
8 ances, career ladder programs, micro-en-
9 terprise and entrepreneurial training and
10 support programs, utilization of effective
11 business intermediaries, activities to im-
12 prove linkages between the one-stop deliv-
13 ery systems in the State and all employers
14 (including small employers), in the State
15 and other business services and strategies
16 that better engage employers in workforce
17 activities and make the workforce invest-
18 ment system more relevant to the needs of
19 State and local businesses, consistent with
20 the purposes of this Act;

21 “(ii) developing strategies for effec-
22 tively serving hard-to-serve populations
23 and for coordinating programs and services
24 among one-stop partners;

1 “(iii) implementing innovative pro-
2 grams for displaced homemakers, which for
3 purposes of this subparagraph may include
4 an individual who is receiving public assist-
5 ance and is within 2 years of exhausting
6 lifetime eligibility under part A of title IV
7 of the Social Security Act (42 U.S.C. 601
8 et seq.);

9 “(iv) developing strategies for ensur-
10 ing that activities carried out under this
11 section are placing men and women in
12 jobs, education, and training that lead to
13 comparable pay;

14 “(v) implementing programs to in-
15 crease the number of individuals training
16 for and placed in nontraditional employ-
17 ment;

18 “(vi) carrying out activities to facili-
19 tate remote access to services, including
20 training services described in subsection
21 (d)(4), provided through a one-stop deliv-
22 ery system, including facilitating access
23 through the use of technology;

1 “(vii) supporting the provision of core
2 services described in subsection (d)(2) in
3 the one-stop delivery system in the State;

4 “(viii) coordinating with the child wel-
5 fare system to facilitate services for chil-
6 dren in foster care and those who are eligi-
7 ble for assistance under section 477 of the
8 Social Security Act;

9 “(ix) activities—

10 “(I) to improve coordination be-
11 tween workforce investment activities
12 carried out within the State involved
13 and economic development activities;

14 “(II) to improve coordination be-
15 tween employment and training assist-
16 ance and child support services and
17 assistance provided by State and local
18 agencies carrying out part D of title
19 IV of the Social Security Act (42
20 U.S.C. 651 et seq.);

21 “(III) to improve coordination
22 between employment and training as-
23 sistance and cooperative extension
24 programs carried out by the Depart-
25 ment of Agriculture; and

1 “(IV) to develop and disseminate
 2 workforce and labor market informa-
 3 tion;
 4 “(x) conducting—
 5 “(I) research; and
 6 “(II) demonstration projects; and
 7 “(xi) adopting, calculating, or com-
 8 missioning a minimum self-sufficiency
 9 standard that specifies the income needs of
 10 families, by family size, the number and
 11 ages of children in the family, and sub-
 12 State geographical considerations.”.

13 (2) REQUIRED LOCAL EMPLOYMENT AND
 14 TRAINING ACTIVITIES.—

15 (A) ALLOCATED FUNDS.—Section
 16 134(d)(1) (29 U.S.C. 2864(d)(1)) is amended—

17 (i) in clause (i), by striking “described
 18 in subsection (c)”;

19 (ii) in clause (iii), by striking “and”
 20 at the end;

21 (iii) in clause (iv), by striking the pe-
 22 riod and inserting a semicolon; and

23 (iv) by adding at the end the fol-
 24 lowing:

“(v) to designate a dedicated business liaison in the local area who may be funded with funds provided under this title or from other sources to establish and develop relationships and networks with large and small employers and their intermediaries; and

“(vi) in order to avoid duplication of services and enhance coordination of services, to require the colocation of employment services provided under the Wagner-Peyser Act at the comprehensive one-stop centers.”.

(B) CORE SERVICES.—Section 134(d)(2) (29 U.S.C. 2864(d)(2)) is amended—

(i) in the matter preceding subparagraph (A), by striking “paragraph (1)(A)” and inserting “paragraph (1)”;

(ii) in subparagraph (A), by striking “under this subtitle” and inserting “under the programs described in section 121(b) and administered by one-stop partners, consistent with the requirements of such programs”;

1 (iii) by striking subparagraph (D) and
 2 inserting the following:

3 “(D) labor exchange services, including—

4 “(i) job search and placement assist-
 5 ance and, in appropriate cases, career
 6 counseling, including—

7 “(I) exposure to high wage, high
 8 skill jobs; and

9 “(II) nontraditional employment;
 10 and

11 “(ii) appropriate recruitment and
 12 other business services for all employers,
 13 including small employers, in the local
 14 area, which may include services described
 15 in this subsection, including information
 16 and referral to specialized business services
 17 not traditionally offered through the one-
 18 stop delivery system;”;

19 (iv) in subparagraph (E)(iii)—

20 (I) by inserting “, career lad-
 21 ders,” after “earnings”; and

22 (II) by striking “and” at the end;

23 (v) in subparagraph (F)—

24 (I) by striking “and program cost
 25 information”; and

1 (II) by striking “described in sec-
 2 tion 123”;

3 (vi) by striking subparagraph (H) and
 4 inserting the following:

5 “(H) provision of accurate information, in
 6 formats that are usable and understandable to
 7 all one-stop customers, relating to the avail-
 8 ability of supportive services or assistance, in-
 9 cluding childcare, child support, medical or
 10 child health assistance under title XIX or XXI
 11 of the Social Security Act, benefits under the
 12 Food Stamp Act of 1977, the earned income
 13 tax credit under section 32 of the Internal Rev-
 14 enue Code of 1986, and assistance under a
 15 State program funded under part A of title IV
 16 of the Social Security Act and other supportive
 17 services and transportation provided through
 18 funds made available under such part, available
 19 in the local area, and referral to such services
 20 or assistance as appropriate;”; and

21 (vii) in subparagraph (J), by striking
 22 “for—” and all that follows through “(ii)
 23 programs” and inserting “for programs”.

24 (C) INTENSIVE SERVICES.—Section
 25 134(d)(3) (29 U.S.C. 2864(d)(3)) is amended—

1 (i) by striking subparagraph (A) and
2 inserting the following:

3 “(A) IN GENERAL.—

4 “(i) ELIGIBILITY.—Except as pro-
5 vided in clause (ii), funds allocated to a
6 local area for adults under paragraph
7 (2)(A) or (3), as appropriate, of section
8 133(b), and funds allocated to the local
9 area for dislocated workers under section
10 133(b)(2)(B), shall be used to provide in-
11 tensive services to adults and dislocated
12 workers, respectively—

13 “(I) who are unemployed and
14 who, after an interview, evaluation, or
15 assessment, have been determined by
16 a one-stop operator or one-stop part-
17 ner to be—

18 “(aa) unlikely or unable to
19 obtain employment, that leads to
20 self-sufficiency or wages com-
21 parable to or higher than pre-
22 vious employment, through core
23 services described in paragraph
24 (2); and

1 “(bb) in need of intensive
2 services in order to obtain em-
3 ployment that leads to self-suffi-
4 ciency or wages comparable to or
5 higher than previous employ-
6 ment; or

7 “(II) who are employed, but who,
8 after an interview, evaluation, or as-
9 sessment are determined by a one-
10 stop operator or one-stop partner to
11 be in need of intensive services to ob-
12 tain or retain employment that leads
13 to self-sufficiency.

14 “(ii) SPECIAL RULE.—A new inter-
15 view, evaluation, or assessment of a partic-
16 ipant is not required under clause (i) if the
17 one-stop operator or one-stop partner de-
18 termines that it is appropriate to use a re-
19 cent assessment of the participant con-
20 ducted pursuant to another education or
21 training program.”; and

22 (ii) in subparagraph (C)—

23 (I) in clause (v), by striking “for
24 participants seeking training services
25 under paragraph (4)”; and

1 (II) by adding at the end the fol-
 2 lowing:

3 “(vii) Internships and work experi-
 4 ence.

5 “(viii) Literacy activities relating to
 6 basic work readiness, and financial literacy
 7 activities.

8 “(ix) Out-of-area job search assistance
 9 and relocation assistance.

10 “(x) English language acquisition and
 11 integrated training programs.”.

12 (D) TRAINING SERVICES.—Section
 13 134(d)(4) (29 U.S.C. 2864(d)(4)) is amended—

14 (i) by striking subparagraph (A) and
 15 inserting the following:

16 “(A) IN GENERAL.—

17 “(i) ELIGIBILITY.—Except as pro-
 18 vided in clause (ii), funds allocated to a
 19 local area for adults under paragraph
 20 (2)(A) or (3), as appropriate, of section
 21 133(b), and funds allocated to the local
 22 area for dislocated workers under section
 23 133(b)(2)(B), shall be used to provide
 24 training services to adults and dislocated
 25 workers, respectively—

1 “(I) who, after an interview, eval-
2 uation, or assessment, and case man-
3 agement, have been determined by a
4 one-stop operator or one-stop partner,
5 as appropriate, to—

6 “(aa) be unlikely or unable
7 to obtain or retain employment,
8 that leads to self-sufficiency or
9 wages comparable to or higher
10 than previous employment,
11 through the intensive services de-
12 scribed in paragraph (3);

13 “(bb) be in need of training
14 services to obtain or retain em-
15 ployment that leads to self-suffi-
16 ciency or wages comparable to or
17 higher than previous employ-
18 ment; and

19 “(cc) have the skills and
20 qualifications to successfully par-
21 ticipate in the selected program
22 of training services;

23 “(II) who select programs of
24 training services that are directly
25 linked to the employment opportuni-

1 ties in the local area or region in-
 2 volved or in another area to which the
 3 adults or dislocated workers are will-
 4 ing to commute or relocate;

5 “(III) who meet the requirements
 6 of subparagraph (B); and

7 “(IV) who are determined to be
 8 eligible in accordance with the priority
 9 system in effect under subparagraph
 10 (E).

11 “(ii) SPECIAL RULE.—A new inter-
 12 view, evaluation, or assessment of a partic-
 13 ipant is not required under clause (i) if the
 14 one-stop operator or one-stop partner de-
 15 termines that it is appropriate to use a re-
 16 cent assessment of the participant con-
 17 ducted pursuant to another education or
 18 training program.”;

19 (ii) in subparagraph (B)(i), by strik-
 20 ing “Except” and inserting “Notwith-
 21 standing section 479B of the Higher Edu-
 22 cation Act of 1965 (20 U.S.C. 1087uu)
 23 and except”;

24 (iii) in subparagraph (D)—

1 (I) in clause (viii), by striking
2 “and” after the semicolon;

3 (II) in clause (ix), by striking the
4 period and inserting “; and”; and

5 (III) by adding at the end the
6 following:

7 “(x) English language acquisition and
8 integrated training programs.”;

9 (iv) in subparagraph (F)—

10 (I) in clause (ii), by striking “re-
11 ferred to in subsection (c), shall make
12 available—” and all that follows and
13 inserting “shall make available a list
14 of eligible providers of training serv-
15 ices, and accompanying information,
16 in accordance with section 122(d).”;

17 (II) in the heading of clause (iii),
18 by striking “INDIVIDUAL TRAINING
19 ACCOUNTS” and inserting “CAREER
20 SCHOLARSHIP ACCOUNTS”;

21 (III) in clause (iii)—

22 (aa) by striking “identifying
23 information” and inserting “ac-
24 companying information”;

1 (bb) by striking “clause
 2 (ii)(I)” and inserting “clause
 3 (ii)”; and

4 (cc) by striking “individual
 5 training account” and inserting
 6 “career scholarship account”;
 7 and

8 (IV) by adding the following
 9 clause after clause (iii):

10 “(iv) COORDINATION.—Each local
 11 board may, through one-stop centers, co-
 12 ordinate career scholarship accounts with
 13 other Federal, State, local, or private job
 14 training programs or sources to assist the
 15 individual in obtaining training services.”;
 16 and

17 (v) in subparagraph (G)—

18 (I) in the subparagraph heading,
 19 by striking “INDIVIDUAL TRAINING
 20 ACCOUNTS” and inserting “CAREER
 21 SCHOLARSHIP ACCOUNTS”;

22 (II) in clause (i), by striking “in-
 23 dividual training accounts” and in-
 24 serting “career scholarship accounts”;

25 (III) in clause (ii)—

1 (aa) by striking “individual
 2 training account” and inserting
 3 “career scholarship account”;
 4 and

5 (bb) in subclause (II), by
 6 striking “individual training ac-
 7 counts” and inserting “career
 8 scholarship accounts”;

9 (cc) in subclause (II), by
 10 striking “or” after the semicolon;

11 (dd) in subclause (III), by
 12 striking the period and inserting
 13 “; or”; and

14 (ee) by adding at the end
 15 the following:

16 “(IV) the local board determines
 17 that it would be most appropriate to
 18 award a contract to an institution of
 19 higher education in order to facilitate
 20 the training of multiple individuals in
 21 high-demand occupations, if such con-
 22 tract does not limit customer choice.”;
 23 and

24 (IV) in clause (iv)—

1 (aa) by redesignating sub-
 2 clause (IV) as subclause (V); and
 3 (bb) by inserting after sub-
 4 clause (III) the following:
 5 “(IV) Individuals with disabil-
 6 ities.”.

7 (3) PERMISSIBLE ACTIVITIES.—Section 134(e)
 8 (29 U.S.C. 2864(e)) is amended—
 9 (A) by striking the matter preceding para-
 10 graph (2) and inserting the following:

11 “(e) PERMISSIBLE LOCAL EMPLOYMENT AND TRAIN-
 12 ING ACTIVITIES.—

13 “(1) IN GENERAL.—

14 “(A) ACTIVITIES.—Funds allocated to a
 15 local area for adults under paragraph (2)(A) or
 16 (3), as appropriate, of section 133(b), and
 17 funds allocated to the local area for dislocated
 18 workers under section 133(b)(2)(B), may be
 19 used to provide, through the one-stop delivery
 20 system involved—

21 “(i) customized screening and referral
 22 of qualified participants in training serv-
 23 ices described in subsection (d)(4) to em-
 24 ployment;

1 “(ii) customized employment-related
2 services to employers on a fee-for-service
3 basis;

4 “(iii) customer support to enable
5 members of hard-to-serve populations, in-
6 cluding individuals with disabilities, to
7 navigate among multiple services and ac-
8 tivities for such populations;

9 “(iv) technical assistance and capacity
10 building for serving individuals with dis-
11 abilities in local areas, and by one-stop op-
12 erators, one-stop partners, and eligible pro-
13 viders, including the development and
14 training of staff, the provision of outreach,
15 intake, assessments, and service delivery,
16 and the development of performance meas-
17 ures;

18 “(v) employment and training assist-
19 ance provided in coordination with child
20 support enforcement activities of the State
21 and local agencies carrying out part D of
22 title IV of the Social Security Act (42
23 U.S.C. 601 et seq.);

24 “(vi) activities to improve coordination
25 between employment and training assist-

1 ance and child support services and assist-
2 ance provided by State and local agencies
3 carrying out part D of title IV of the So-
4 cial Security Act (42 U.S.C. 651 et seq.);

5 “(vii) activities to improve coordina-
6 tion between employment and training as-
7 sistance and cooperative extension pro-
8 grams carried out by the Department of
9 Agriculture;

10 “(viii) activities to facilitate remote
11 access to services provided through a one-
12 stop delivery system, including facilitating
13 access through the use of technology;

14 “(ix) activities—

15 “(I) to improve coordination be-
16 tween workforce investment activities
17 carried out within the local area in-
18 volved and economic development ac-
19 tivities; and

20 “(II) to improve services and
21 linkages between the local workforce
22 investment system including the local
23 one-stop delivery system, and all em-
24 ployers, including small employers in
25 the local area, through services de-

1 scribed under this section, including
2 subparagraph (B);

3 “(x) training programs for displaced
4 homemakers and for individuals training
5 for nontraditional occupations, in conjunc-
6 tion with programs operated in the local
7 area;

8 “(xi) using a portion of the funds allo-
9 cated under section 133(b), activities to
10 carry out business services and strategies
11 that meet the workforce development needs
12 of local area employers, as determined by
13 the local board, consistent with the local
14 plan under section 118, which services—

15 “(I) may be provided through ef-
16 fective business intermediaries work-
17 ing in conjunction with the local
18 board, and may also be provided on a
19 fee for service basis or through the
20 leveraging of economic development
21 and other resources as determined ap-
22 propriate by the local board; and

23 “(II) may include—

24 “(aa) identifying for and
25 disseminating to business, edu-

1 cators, and job seekers, informa-
2 tion related to the workforce, eco-
3 nomic and community develop-
4 ment needs, and opportunities of
5 the local economy;

6 “(bb) development and deliv-
7 ery of innovative workforce in-
8 vestment services and strategies
9 for area businesses, which may
10 include sectoral, industry cluster,
11 regional skills alliances, career
12 ladder, skills upgrading, skill
13 standard development and certifi-
14 cation, apprenticeship, and other
15 effective initiatives for meeting
16 the workforce development needs
17 of area employers and workers;

18 “(cc) participation in semi-
19 nars and classes offered in part-
20 nership with relevant organiza-
21 tions focusing on the workforce-
22 related needs of area employers
23 and job seekers;

24 “(dd) training consulting,
25 needs analysis, and brokering

1 services for area businesses, in-
2 cluding the organization and ag-
3 gregation of training (which may
4 be paid for with funds other than
5 those provided under this title),
6 for individual employers and coa-
7 litions of employers with similar
8 interests, products, or workforce
9 needs;

10 “(ee) assistance to area em-
11 ployers in the aversion of layoffs
12 and in managing reductions in
13 force in coordination with rapid
14 response activities;

15 “(ff) the marketing of busi-
16 ness services offered under this
17 Act, to appropriate area employ-
18 ers, including small and mid-
19 sized employers;

20 “(gg) information referral
21 on concerns affecting local em-
22 ployers; and

23 “(hh) other business services
24 and strategies designed to better
25 engage employers in workforce

1 development activities and to
 2 make the workforce investment
 3 system more relevant to the
 4 workforce development needs of
 5 area businesses, as determined by
 6 the local board to be consistent
 7 with the purposes of this Act;
 8 and

9 “(xii) activities to adjust the self-suffi-
 10 ciency standards for local factors, or activi-
 11 ties to adopt, calculate, or commission a
 12 self-sufficiency standard that specifies the
 13 income needs of families, by family size,
 14 the number and ages of children in the
 15 family, and sub-State geographical consid-
 16 erations.

17 “(B) WORK SUPPORT ACTIVITIES FOR
 18 LOW-WAGE WORKERS.—

19 “(i) IN GENERAL.—Funds allocated to
 20 a local area for adults under paragraph
 21 (2)(A) or (3), as appropriate, of section
 22 133(b), and funds allocated to the local
 23 area for dislocated workers under section
 24 133(b)(2)(B), may be used to provide,
 25 through the one-stop delivery system in-

1 volved, work support activities designed to
2 assist low-wage workers in retaining and
3 enhancing employment. The one-stop part-
4 ners shall coordinate the appropriate pro-
5 grams and resources of the partners with
6 the activities and resources provided under
7 this subparagraph.

8 “(ii) ACTIVITIES.—The activities de-
9 scribed in clause (i) may include the provi-
10 sion of activities described in this section
11 through the one-stop delivery system in a
12 manner that enhances the opportunities of
13 such workers to participate in the activi-
14 ties, such as the provision of activities de-
15 scribed in this section during nontradi-
16 tional hours and the provision of on-site
17 child care while such activities are being
18 provided.”;

19 (B) in paragraph (2), by striking the mat-
20 ter preceding subparagraph (A) and inserting
21 the following:

22 “(2) SUPPORTIVE SERVICES.—Funds allocated
23 to a local area for adults under paragraph (2)(A) or
24 (3), as appropriate, of section 133(b), and funds al-
25 located to the local area for dislocated workers under

1 section 133(b)(2)(B), may be used to provide sup-
2 portive services to adults and dislocated workers, re-
3 spectively—”; and

4 (C) by adding at the end the following:

5 “(4) INCUMBENT WORKER TRAINING PRO-
6 GRAMS.—

7 “(A) IN GENERAL.—The local board may
8 use up to 10 percent of the funds allocated to
9 the local area involved under section 133(b) to
10 pay for the Federal share of the cost of pro-
11 viding training through an incumbent worker
12 training program carried out in accordance with
13 this paragraph. The Governor or State board
14 may make recommendations to the local board
15 regarding incumbent worker training with
16 statewide impact.

17 “(B) TRAINING ACTIVITIES.—The training
18 program for incumbent workers carried out
19 under this paragraph shall be carried out by the
20 local board in conjunction with the employers or
21 groups of employers of such workers for the
22 purpose of assisting such workers in obtaining
23 the skills necessary to retain employment or
24 avert layoffs.

25 “(C) EMPLOYER SHARE REQUIRED.—

1 “(i) IN GENERAL.—Employers partici-
 2 pating in the program carried out under
 3 this paragraph shall be required to pay the
 4 non-Federal share of the costs of providing
 5 the training to incumbent workers of the
 6 employers. The local board shall establish
 7 the non-Federal share of such costs, which
 8 may include in kind contributions. The
 9 non-Federal share shall not be less than—

10 “(I) 10 percent of the costs, for
 11 employers with 50 or fewer employees;

12 “(II) 25 percent of the costs, for
 13 employers with more than 50 employ-
 14 ees but fewer than 100 employees;
 15 and

16 “(III) 50 percent of the costs, for
 17 employers with 100 or more employ-
 18 ees.

19 “(ii) CALCULATION OF EMPLOYER
 20 SHARE.—The non-Federal share paid by
 21 such an employer may include the amount
 22 of the wages paid by the employer to a
 23 worker while the worker is attending a
 24 training program under this paragraph.”.

1 **SEC. 122. PERFORMANCE ACCOUNTABILITY SYSTEM.**

2 (a) STATE PERFORMANCE MEASURES.—

3 (1) INDICATORS OF PERFORMANCE.—Section
 4 136(b)(2)(A) (29 U.S.C. 2871(b)(2)(A)) is amend-
 5 ed—

6 (A) in clause (i)—

7 (i) in the matter preceding subclause
 8 (I), by striking “and (for participants who
 9 are eligible youth age 19 through 21) for
 10 youth activities authorized under section
 11 129”;

12 (ii) by striking subclause (III) and in-
 13 serting the following:

14 “(III) increases in earnings from
 15 unsubsidized employment; and”; and

16 (iii) in subclause (IV), by striking “,
 17 or by participants” and all that follows
 18 through “unsubsidized employment”; and

19 (B) by striking clause (ii) and inserting the
 20 following:

21 “(ii) CORE INDICATORS FOR ELIGIBLE
 22 YOUTH.—The core indicators of perform-
 23 ance for youth activities authorized under
 24 section 129 shall consist of—

1 “(I) entry into employment, edu-
 2 cation or advanced training, or mili-
 3 tary service;

4 “(II) attainment of secondary
 5 school diplomas or their recognized
 6 equivalents, and postsecondary certifi-
 7 cates; and

8 “(III) literacy or numeracy
 9 gains.”.

10 (2) ADDITIONAL INDICATORS.—Section
 11 136(b)(2)(C) (29 U.S.C. 2871(b)(2)(C)) is amended
 12 to read as follows:

13 “(C) ADDITIONAL INDICATORS.—A State
 14 may identify in the State plan additional indica-
 15 tors for workforce investment activities under
 16 this subtitle, including indicators identified in
 17 collaboration with State business and industry
 18 associations, with employee representatives
 19 where applicable, and with local boards, to
 20 measure the performance of the workforce in-
 21 vestment system in serving the workforce needs
 22 of business and industry in the State.”.

23 (3) LEVELS OF PERFORMANCE.—Section
 24 136(b)(3)(A) (29 U.S.C. 2871(b)(3)(A)) is amend-
 25 ed—

1 (A) in clause (iii)—

2 (i) in the heading, by striking “FOR
3 FIRST 3 YEARS”;

4 (ii) by striking “and the customer sat-
5 isfaction indicator of performance, for the
6 first 3” and inserting “described in clauses
7 (i) and (ii) of paragraph (2)(A) and the
8 customer satisfaction indicator of perform-
9 ance, for the first 2”; and

10 (iii) by inserting at the end the fol-
11 lowing: “Agreements on levels of perform-
12 ance for each of the core indicators of per-
13 formance for the third and fourth program
14 years covered by the State plan shall be
15 reached prior to the beginning of the third
16 program year covered by the State plan,
17 and incorporated as a modification to the
18 State plan.”;

19 (B) in clause (iv)—

20 (i) in subclause (II)—

21 (I) by striking “taking into ac-
22 count” and inserting “and shall en-
23 sure that the levels involved are ad-
24 justed, using objective statistical
25 methods, based on”;

1 (II) by inserting “(such as dif-
 2 ferences in unemployment rates and
 3 job losses or gains in particular indus-
 4 tries)” after “economic conditions”;

5 (III) by inserting “(such as indi-
 6 cators of poor work history, lack of
 7 work experience, educational or occu-
 8 pational skills attainment, dislocation
 9 from high-wage and benefit employ-
 10 ment, low levels of literacy or English
 11 proficiency, disability status, home-
 12 lessness, and welfare dependency)”
 13 after “program”; and

14 (IV) by striking “and” at the
 15 end;

16 (ii) in subclause (III), by striking the
 17 period and inserting “; and”; and

18 (iii) by adding at the end the fol-
 19 lowing:

20 “(IV) the extent to which the lev-
 21 els involved will assist the State in
 22 meeting the national goals described
 23 in clause (v).”;

24 (C) by striking clause (v) and inserting the
 25 following:

“(v) ESTABLISHMENT OF NATIONAL GOALS.—In order to promote enhanced performance outcomes on the performance measures and to facilitate the process of reaching agreements with the States under clause (iii) and to measure systemwide performance for the one-stop delivery systems of the States, the Secretary shall establish long-term national goals for the adjusted levels of performance for that systemwide performance to be achieved by the programs assisted under chapters 4 and 5 on the core indicators of performance described in subparagraphs (A) and (B) of subsection (b)(2). Such goals shall be established in accordance with the Government Performance and Results Act of 1993 in consultation with the States and other appropriate parties.”; and
(D) in clause (vi)—

(i) by striking “or (v)”;

(ii) by striking “with the representatives described in subsection (i)” and inserting “with the States and other interested parties”.

1 (b) LOCAL PERFORMANCE MEASURES.—Section
 2 136(c)(3) (29 U.S.C. 2871(c)(3))—

3 (1) by striking “shall take into account” and
 4 inserting “shall ensure such levels are adjusted
 5 based on”;

6 (2) by inserting “(characteristics such as unem-
 7 ployment rates and job losses or gains in particular
 8 industries)” after “economic”; and

9 (3) by inserting “(characteristics such as indi-
 10 cators of poor work history, lack of work experience,
 11 educational and occupational skills attainment, dis-
 12 location from high-wage and benefit employment,
 13 low levels of literacy or English proficiency, dis-
 14 ability status, homelessness, and welfare depend-
 15 ency)” after “demographic”.

16 (c) REPORT.—Section 136(d) (29 U.S.C. 2871(d)) is
 17 amended—

18 (1) in paragraph (1), by adding at the end the
 19 following: “In the case of a State or local area that
 20 chooses to expend funds under section
 21 134(a)(3)(A)(i) or 134(e)(1)(A)(vii), respectively,
 22 the report also shall include the amount of such
 23 funds so expended and the percentage that such
 24 funds are of the funds available under section 134;

25 (2) in paragraph (2)—

1 (A) in subparagraph (E)—

2 (i) by striking “(excluding partici-
3 pants who received only self-service and in-
4 formational activities)”; and

5 (ii) by striking “and” after the semi-
6 colon;

7 (B) in subparagraph (F)—

8 (i) by inserting “noncustodial parents
9 with child support obligations, homeless in-
10 dividuals,” after “displaced homemakers,”;
11 and

12 (ii) by striking the period and insert-
13 ing a semicolon; and

14 (C) by adding at the end the following:

15 “(G) the number of participants served
16 and the cost per participant; and

17 “(H) the amount of adult and dislocated
18 worker funds spent on—

19 “(i) core, intensive, and training serv-
20 ices, respectively; and

21 “(ii) services provided under section
22 134(a)(3)(A)(i) or 134(e)(1)(A)(iii), if ap-
23 plicable.”; and

24 (3) by adding at the end the following:

1 “(4) DATA VALIDATION.—In preparing the re-
 2 ports described in this subsection, the States shall
 3 establish procedures, consistent with guidelines
 4 issued by the Secretary, to ensure that the informa-
 5 tion contained in the reports is valid and reliable.”.

6 (d) SANCTIONS FOR STATE.—Section 136(g) is
 7 amended—

8 (1) in paragraph (1)(B), by striking “If such
 9 failure continues for a second consecutive year” and
 10 inserting “If a State performs at less than 80 per-
 11 cent of the adjusted level of performance for a core
 12 indicator of performance described in subsection
 13 (b)(2)(A) for 2 consecutive years with respect to the
 14 same indicator of performance”; and

15 (2) in paragraph (2), by striking “section 503”
 16 and inserting “subsection (i)(1)”.

17 (e) SANCTIONS FOR LOCAL AREA.—Section
 18 136(h)(2)(A) (29 U.S.C. 2871(h)(2)(A)) is amended—

19 (1) in the matter preceding clause (i), by strik-
 20 ing “If such failure continues for a second consecu-
 21 tive year” and inserting “If a local area performs at
 22 less than 80 percent of the adjusted level of per-
 23 formance for a core indicator of performance de-
 24 scribed in subsection (b)(2)(A) for 2 consecutive

1 years with respect to the same indicator of perform-
 2 ance”;

3 (2) in clause (ii), by striking “or” after the
 4 semicolon;

5 (3) by redesignating clause (iii) as clause (iv);
 6 and

7 (4) by inserting after clause (ii) the following:

8 “(iii) redesignate the local area in ac-
 9 cordance with section 116(a)(2); or”.

10 (f) INCENTIVE GRANTS.—Section 136(i) (29 U.S.C.
 11 2871(i)) is amended to read as follows:

12 “(i) INCENTIVE GRANTS FOR STATES AND LOCAL
 13 AREAS.—

14 “(1) INCENTIVE GRANTS FOR STATES.—

15 “(A) IN GENERAL.—From funds appro-
 16 priated under section 174(b) and made avail-
 17 able under subsection (g)(2), the Secretary may
 18 award incentive grants to States for exemplary
 19 performance in carrying out programs under
 20 chapters 4 and 5.

21 “(B) BASIS.—The Secretary shall award
 22 the grants on the basis—

23 “(i) of the States meeting or exceed-
 24 ing the performance measures established
 25 under subsection (b)(3)(A)(iii);

1 “(ii) of exemplary performance of the
2 States in serving hard-to-serve populations
3 (including performance relating to the lev-
4 els of service provided and the performance
5 outcomes on such performance measures
6 with respect to the populations);

7 “(iii) of States that are effectively—

8 “(I) coordinating multiple sys-
9 tems into a more effective workforce
10 development system, including coordi-
11 nation of employment services under
12 the Wagner-Peyser Act and core ac-
13 tivities under this title as well as part-
14 ner programs described in section
15 121;

16 “(II) expanding access to train-
17 ing, including through increased
18 leveraging of resources other than
19 those funded through programs under
20 this title; or

21 “(III) implementing innovative
22 business and economic development
23 initiatives.

24 “(iv) of such other factors relating to
25 the performance of the States under this

1 title as the Secretary determines are ap-
2 propriate.

3 “(C) USE OF FUNDS.—The funds awarded
4 to a State under this paragraph may be used to
5 carry out any activities authorized for States
6 under chapters 4 and 5, title II of this Act, and
7 the Carl D. Perkins Vocational and Technical
8 Education Act of 1998, including demonstra-
9 tion projects and innovative programs for hard-
10 to-serve populations.

11 “(2) INCENTIVE GRANTS FOR LOCAL AREAS.—

12 “(A) IN GENERAL.—From funds reserved
13 under sections 128(a) and 133(a)(1), the Gov-
14 ernor involved shall award incentive grants to
15 local areas for exemplary performance in car-
16 rying out programs under chapters 4 and 5.

17 “(B) BASIS.—The Governor shall award
18 the grants on the basis—

19 “(i) that the local areas met or ex-
20 ceeded the performance measures estab-
21 lished under subsection (c)(2) relating to
22 indicators described in subsection
23 (b)(3)(A)(iii);

1 “(ii) of exemplary performance of the
2 local areas in serving hard-to-serve popu-
3 lations; or

4 “(iii) of States and local areas that
5 are effectively—

6 “(I) coordinating multiple sys-
7 tems into a comprehensive workforce
8 development system, including coordi-
9 nation of employment services under
10 the Wagner-Peyser Act and core ac-
11 tivities under this title as well as part-
12 ner programs described in section
13 121;

14 “(II) expanding access to train-
15 ing, including through increased
16 leveraging of resources other than
17 those funded through programs under
18 this title; or

19 “(III) implementing innovative
20 business and economic development
21 initiatives.

22 “(C) USE OF FUNDS.—The funds awarded
23 to a local area under this paragraph may be
24 used to carry out activities authorized for local
25 areas under chapters 4 and 5, and such dem-

1 onstration projects or innovative programs for
 2 hard-to-serve populations as may be approved
 3 by the Governor.”.

4 (g) USE OF CORE MEASURES IN OTHER DEPART-
 5 MENT OF LABOR PROGRAMS.—Section 136 (29 U.S.C.
 6 2871) is amended by adding at the end the following:

7 “(j) USE OF CORE INDICATORS FOR OTHER PRO-
 8 GRAMS.—In addition to the programs carried out under
 9 chapters 4 and 5, and consistent with the requirements
 10 of the applicable authorizing laws, the Secretary shall use
 11 the indicators of performance described in subparagraphs
 12 (A) and (B) of subsection (b)(2) to assess the effectiveness
 13 of the programs described in clauses (i), (ii), and (vi) of
 14 section 121(b)(1)(B) that are carried out by the Sec-
 15 retary.”.

16 (h) PREVIOUS DEFINITIONS OF CORE INDICATORS
 17 AND INCENTIVE GRANTS.—Sections 502 and 503 (29
 18 U.S.C. 9272 and 9273) are repealed.

19 **SEC. 123. AUTHORIZATION OF APPROPRIATIONS.**

20 (a) YOUTH ACTIVITIES.—Section 137(a) (29 U.S.C.
 21 2872(a)) is amended by striking “such sums as may be
 22 necessary for each of fiscal years 1999 through 2003” and
 23 inserting “such sums as may be necessary for each of fis-
 24 cal years 2004 through 2009”.

1 (b) ADULT EMPLOYMENT AND TRAINING ACTIVI-
 2 TIES.—Section 137(b) (29 U.S.C. 2872(b)) is amended by
 3 striking “such sums as may be necessary for each of fiscal
 4 years 1999 through 2003” and inserting “such sums as
 5 may be necessary for each of fiscal years 2004 through
 6 2009”.

7 (c) DISLOCATED WORKER EMPLOYMENT AND
 8 TRAINING ACTIVITIES.—Section 137(c) (29 U.S.C.
 9 2872(c)) is amended by striking “such sums as may be
 10 necessary for each of fiscal years 1999 through 2003” and
 11 inserting “such sums as may be necessary for each of fis-
 12 cal years 2004 through 2009”.

13 **Subtitle C—Job Corps**

14 **SEC. 131. JOB CORPS.**

15 (a) ELIGIBILITY.—Section 144(3) (29 U.S.C.
 16 2884(3)) is amended by adding at the end the following:

17 “(F) A child eligible for assistance under
 18 section 477 of the Social Security Act.”.

19 (b) IMPLEMENTATION OF STANDARDS AND PROCE-
 20 DURES.—Section 145(a)(3) (29 U.S.C. 2885(a)(3)) is
 21 amended—

22 (1) in subparagraph (B), by striking “and”
 23 after the semicolon;

24 (2) in subparagraph (C), by striking the period
 25 and inserting “; and”; and

1 (3) by adding at the end the following:

2 “(D) child welfare agencies that are re-
3 sponsible for children in foster care and chil-
4 dren eligible for assistance under section 477 of
5 the Social Security Act.”.

6 (c) INDUSTRY COUNCILS.—Section 154(b) (29
7 U.S.C. 2894(b)) is amended—

8 (1) in paragraph (1)(A), by striking “local and
9 distant”; and

10 (2) by adding at the end the following:

11 “(3) EMPLOYERS OUTSIDE OF LOCAL AREA.—
12 The industry council may include, or otherwise pro-
13 vide for consultation with, employers from outside
14 the local area who are likely to hire a significant
15 number of enrollees from the Job Corps center.

16 “(4) SPECIAL RULE FOR SINGLE LOCAL AREA
17 STATES.—In the case of a single local area State
18 designated under section 116(b), the industry coun-
19 cil shall include a representative of the State
20 Board.”.

21 (d) INDICATORS OF PERFORMANCE.—Section 159
22 (29 U.S.C. 2983) is amended—

23 (1) in subsection (c)—

24 (A) by striking paragraph (1) and insert-
25 ing the following:

1 “(1) PERFORMANCE INDICATORS.—The Sec-
 2 retary shall annually establish expected levels of per-
 3 formance for Job Corps centers and the Job Corps
 4 program relating to each of the core indicators of
 5 performance for youth activities identified in section
 6 136(b)(2)(A)(ii).”;

7 (B) in paragraph (2), by striking “meas-
 8 ures” each place it appears and inserting “indi-
 9 cators”; and

10 (C) in paragraph (3)—

11 (i) in the first sentence, by striking
 12 “core performance measures, as compared
 13 to the expected performance level for each
 14 performance measure” and inserting “per-
 15 formance indicators described in paragraph
 16 (1), as compared to the expected level of
 17 performance established under paragraph
 18 (1) for each performance measure”; and

19 (ii) in the second sentence, by striking
 20 “measures” each place it appears and in-
 21 serting “indicators”; and

22 (2) in subsection (f)(2), in the first sentence, by
 23 striking “core performance measures” and inserting
 24 “indicators of performance”.

1 (e) AUTHORIZATION OF APPROPRIATIONS.—Section
 2 161 (29 U.S.C. 2901) is amended by striking “1999
 3 through 2003” and inserting “2004 through 2009”.

4 **Subtitle D—National Programs**

5 **SEC. 141. NATIVE AMERICAN PROGRAMS.**

6 (a) ADVISORY COUNCIL.—Section 166(h)(4)(C) (29
 7 U.S.C. 2911(h)(4)(C)) is amended to read as follows:

8 “(C) DUTIES.—The Council shall advise
 9 the Secretary on the operation and administra-
 10 tion of the programs assisted under this sec-
 11 tion, including the selection of the individual
 12 appointed as head of the unit established under
 13 paragraph (1).”.

14 (b) ASSISTANCE TO UNIQUE NATIVE POPULATIONS
 15 IN ALASKA AND HAWAII.—Section 166(j) (29 U.S.C.
 16 2911(j)) is amended to read as follows:

17 “(j) ASSISTANCE TO UNIQUE NATIVE POPULATIONS
 18 IN ALASKA AND HAWAII.—

19 “(1) IN GENERAL.—Notwithstanding any other
 20 provision of law, the Secretary is authorized to pro-
 21 vide assistance to unique native populations who re-
 22 side in Alaska or Hawaii to improve job training and
 23 workforce investment activities.

24 “(2) AUTHORIZATION OF APPROPRIATIONS.—
 25 There are authorized to be appropriated to carry out

1 this subsection such sums as may be necessary for
2 fiscal year 2004.”.

3 (c) PERFORMANCE INDICATORS.—Section 166 (29
4 U.S.C. 2911 is amended by adding at the end the fol-
5 lowing:

6 “(c) PERFORMANCE INDICATORS.—

7 “(1) DEVELOPMENT OF INDICATORS.—The
8 Secretary, in consultation with the Native American
9 Employment and Training Council, shall develop a
10 set of performance indicators and standards which
11 shall be applicable to programs under this section.

12 “(2) SPECIAL CONSIDERATIONS.—Such per-
13 formance indicators and standards shall take into
14 account—

15 “(A) the purposes of the programs under
16 this section as described in paragraph (a)(1);

17 “(B) the needs of the groups served by this
18 section, including the differences in needs
19 among such groups in various geographic serv-
20 ice areas; and

21 “(C) the economic circumstances of the
22 communities served, including differences in cir-
23 cumstances among various geographic service
24 areas.”.

1 **SEC. 142. MIGRANT AND SEASONAL FARMWORKER PRO-**
 2 **GRAMS.**

3 Section 167(d) (29 U.S.C. 2912(d)) is amended by
 4 inserting “(including permanent housing)” after “hous-
 5 ing”.

6 **SEC. 143. VETERANS’ WORKFORCE INVESTMENT PRO-**
 7 **GRAMS.**

8 Section 168(a)(3)(C) (29 U.S.C. 2913(a)(3)(C)) is
 9 amended by striking “section 134(c)” and inserting “sec-
 10 tion 121(e)”.

11 **SEC. 144. YOUTH CHALLENGE GRANTS.**

12 Section 169 (29 U.S.C. 2914) is amended to read as
 13 follows:

14 **“SEC. 169. YOUTH CHALLENGE GRANTS.**

15 “(a) IN GENERAL.—Of the amounts reserved by the
 16 Secretary under section 127(a)(1)(A) for a fiscal year—

17 “(1) the Secretary shall use not less than 80
 18 percent to award competitive grants under sub-
 19 section (b); and

20 “(2) the Secretary may use not more than 20
 21 percent to award discretionary grants under sub-
 22 section (c).

23 “(b) COMPETITIVE GRANTS TO STATES AND LOCAL
 24 AREAS.—

25 “(1) ESTABLISHMENT.—From the funds de-
 26 scribed in subsection (a)(1), the Secretary shall

1 award competitive grants to eligible entities to carry
 2 out activities authorized under this subsection to as-
 3 sist eligible youth in acquiring the skills, credentials,
 4 and employment experience necessary to achieve the
 5 performance outcomes for youth described in section
 6 136.

7 “(2) ELIGIBLE ENTITY.—In this subsection, the
 8 term ‘eligible entity’ means—

9 “(A) a State or consortium of States;

10 “(B) a local board or consortium of local
 11 boards;

12 “(C) a recipient of a grant under section
 13 166 (relating to Native American programs); or

14 “(D) a public or private entity (including
 15 a consortium of such entities) with expertise in
 16 the provision of youth activities, applying in
 17 partnership with a local board or consortium of
 18 local boards.

19 “(3) APPLICATIONS.—To be eligible to receive a
 20 grant under this subsection, an eligible entity shall
 21 submit an application to the Secretary at such time,
 22 in such manner, and containing such information as
 23 the Secretary may require, including—

24 “(A) a description of the activities the eli-
 25 gible entity will provide to eligible youth under

1 this subsection, and how the eligible entity will
2 collaborate with State and local workforce in-
3 vestments systems established under this title
4 in the provision of such activities;

5 “(B) a description of the programs of dem-
6 onstrated effectiveness on which the provision
7 of the activities under subparagraph (A) are
8 based, and a description of how such activities
9 will expand the base of knowledge relating to
10 the provision of activities for youth;

11 “(C) a description of the State, local, and
12 private resources that will be leveraged to pro-
13 vide the activities described under subparagraph
14 (A) in addition to funds provided under this
15 subsection, and a description of the extent of
16 the involvement of employers in the activities;

17 “(D) the levels of performance the eligible
18 entity expects to achieve with respect to the in-
19 dicators of performance for youth specified in
20 section 136(b)(2)(A)(ii); and

21 “(E) an assurance that the State board of
22 each State in which the proposed activities are
23 to be carried out had the opportunity to review
24 the application, and including the comments, if
25 any, of the affected State boards on the appli-

1 cation, except that this subparagraph shall not
2 apply to an eligible entity described in para-
3 graph (2)(C).

4 “(4) FACTORS FOR AWARD.—

5 “(A) IN GENERAL.—In awarding grants
6 under this subsection the Secretary shall con-
7 sider—

8 “(i) the quality of the proposed activi-
9 ties;

10 “(ii) the goals to be achieved;

11 “(iii) the likelihood of successful im-
12 plementation;

13 “(iv) the extent to which the proposed
14 activities are based on proven strategies or
15 the extent to which the proposed activities
16 will expand the base of knowledge relating
17 to the provision of activities for youth;

18 “(v) the extent of collaboration with
19 the State and local workforce investment
20 systems in carrying out the proposed ac-
21 tivities;

22 “(vi) the extent of employer involve-
23 ment in the proposed activities;

24 “(vii) whether there are other Federal
25 and non-Federal funds available for similar

activities to the proposed activities, and the additional State, local, and private resources that will be provided to carry out the proposed activities; and

“(viii) the quality of proposed activities in meeting the needs of the youth to be served.

“(B) EQUITABLE GEOGRAPHIC DISTRIBUTION.—In awarding grants under this subsection the Secretary shall ensure an equitable distribution of such grants across geographically diverse areas.

“(5) USE OF FUNDS.—

“(A) IN GENERAL.—An eligible entity that receives a grant under this subsection shall use the grant funds to carry out activities that are designed to assist youth in acquiring the skills, credentials, and employment experience that are necessary to succeed in the labor market, including the activities identified in section 129.

“(B) ACTIVITIES.—The activities carried out pursuant to subparagraph (A) may include the following:

“(i) Training and internships for out-of-school youth in sectors of the economy

1 experiencing, or projected to experience,
2 high growth.

3 “(ii) Dropout prevention activities for
4 in-school youth.

5 “(iii) Activities designed to assist spe-
6 cial youth populations, such as court-in-
7 volved youth and youth with disabilities.

8 “(iv) Activities combining remediation
9 of academic skills, work readiness training,
10 and work experience, and including link-
11 ages to postsecondary education, appren-
12 ticeships, and career-ladder employment.

13 “(v) Activities, including work experi-
14 ence, paid internships, and entrepreneurial
15 training, in areas where there is a migra-
16 tion of youth out of the areas.

17 “(C) PARTICIPANT ELIGIBILITY.—Youth
18 who are 14 years of age through 21 years of
19 age, as of the time the eligibility determination
20 is made, may be eligible to participate in activi-
21 ties carried out under this subsection.

22 “(6) GRANT PERIOD.—The Secretary shall
23 make a grant under this subsection for a period of
24 2 years and may renew the grant, if the eligible enti-

1 ty has performed successfully, for a period of not
2 more than 3 succeeding years.

3 “(7) MATCHING FUNDS REQUIRED.—The Sec-
4 retary shall require that an eligible entity that re-
5 ceives a grant under this subsection provide non-
6 Federal matching funds in an amount to be deter-
7 mined by the Secretary that is not less than 10 per-
8 cent of the cost of activities carried out under the
9 grant. The Secretary may require that such non-
10 Federal matching funds be provided in cash re-
11 sources, noncash resources, or a combination of cash
12 and noncash resources.

13 “(8) EVALUATION.—The Secretary shall reserve
14 not more than 3 percent of the funds described in
15 subsection (a)(1) to provide technical assistance to,
16 and conduct evaluations of (using appropriate tech-
17 niques as described in section 172(c)), the projects
18 funded under this subsection.

19 “(c) DISCRETIONARY GRANTS FOR YOUTH ACTIVI-
20 TIES.—

21 “(1) IN GENERAL.—From the funds described
22 in subsection (a)(2), the Secretary may award
23 grants to eligible entities to provide activities that
24 will assist youth in preparing for, and entering and
25 retaining, employment.

1 “(2) ELIGIBLE ENTITY.—In this subsection, the
 2 term ‘eligible entity’ means a public or private entity
 3 that the Secretary determines would effectively carry
 4 out activities relating to youth under this subsection.

5 “(3) EQUITABLE DISTRIBUTION TO RURAL
 6 AREAS.—In awarding grants under this subsection
 7 the Secretary shall ensure an equitable distribution
 8 of such grants to rural areas.

9 “(4) APPLICATIONS.—To be eligible to receive a
 10 grant under this subsection, an eligible entity shall
 11 submit an application to the Secretary at such time,
 12 in such manner, and containing such information as
 13 the Secretary may require.

14 “(5) USE OF FUNDS.—

15 “(A) IN GENERAL.—An eligible entity that
 16 receives a grant under this subsection shall use
 17 the grant funds to carry out—

18 “(i) activities that will assist youth in
 19 preparing for, and entering and retaining,
 20 employment, including the activities de-
 21 scribed in section 129 for out-of-school
 22 youth;

23 “(ii) activities designed to assist in-
 24 school youth to stay in school and gain
 25 work experience;

1 “(iii) activities designed to assist
2 youth in economically distressed areas; and

3 “(iv) such other activities that the
4 Secretary determines are appropriate to
5 ensure that youth entering the workforce
6 have the skills needed by employers.

7 “(B) PARTICIPANT ELIGIBILITY.—Youth
8 who are 14 years of age through 21 years of
9 age, as of the time the eligibility determination
10 is made, may be eligible to participate in activi-
11 ties carried out under this subsection.

12 “(6) MATCHING FUNDS REQUIRED.—The Sec-
13 retary shall require that an eligible entity that re-
14 ceives a grant under this subsection provide non-
15 Federal matching funds in an amount to be deter-
16 mined by the Secretary that is not less than 10 per-
17 cent of the cost of activities carried out under the
18 grant. The Secretary may require that such non-
19 Federal matching funds be provided in cash re-
20 sources, noncash resources, or a combination of cash
21 and noncash resources.

22 “(7) EVALUATIONS.—The Secretary may re-
23 quire that an eligible entity that receives a grant
24 under this subsection participate in an evaluation of
25 activities carried out under this subsection, including

1 an evaluation using the techniques described in sec-
2 tion 172(c).”.

3 **SEC. 145. TECHNICAL ASSISTANCE.**

4 Section 170 (29 U.S.C. 2915) is amended—

5 (1) in subsection (a)(1), by—

6 (A) inserting “the training of staff pro-
7 viding rapid response services, the training of
8 other staff of recipients of funds under this
9 title, the training of members of State boards
10 and local boards, peer review activities under
11 this title,” after “localities,”; and

12 (B) striking “from carrying out activities”
13 and all that follows through the period and in-
14 serting “to implement the amendments made by
15 the Workforce Investment Act Amendments of
16 2003.”;

17 (2) in subsection (a)(2), by adding at the end
18 the following: “The Secretary shall also hire staff
19 qualified to provide the assistance described in para-
20 graph (1).”;

21 (3) in subsection (b)(2), by striking the last
22 sentence and inserting “Such projects shall be ad-
23 ministered by the Employment and Training Admin-
24 istration.”; and

25 (4) by adding at the end the following:

1 “(c) BEST PRACTICES COORDINATION.—The Sec-
2 retary shall—

3 “(1) establish a system through which States
4 may share information regarding best practices with
5 regard to the operation of workforce investment ac-
6 tivities under this Act;

7 “(2) evaluate and disseminate information re-
8 garding best practices and identify knowledge gaps;
9 and

10 “(3) commission research under section 172 to
11 address knowledge gaps identified under paragraph
12 (2).”.

13 **SEC. 146. DEMONSTRATION, PILOT, MULTISERVICE, RE-**
14 **SEARCH, AND MULTISTATE PROJECTS.**

15 (a) DEMONSTRATION AND PILOT PROJECTS.—Sec-
16 tion 171(b) (29 U.S.C. 2916(b)) is amended—

17 (1) in paragraph (1)—

18 (A) by striking “Under a” and inserting
19 “Consistent with the priorities specified in the”;

20 (B) by striking subparagraphs (A) through
21 (E) and inserting the following:

22 “(A) projects that assist national employ-
23 ers in connecting with the workforce investment
24 system established under this title in order to
25 facilitate the recruitment and employment of

1 needed workers for career ladder jobs and to
2 provide information to such system on skills
3 and occupations in demand;

4 “(B) projects that promote the develop-
5 ment of systems that will improve the maximum
6 effectiveness of programs carried out under this
7 title;

8 “(C) projects that focus on opportunities
9 for employment in industries and sectors of in-
10 dustries that are experiencing, or are likely to
11 experience, high rates of growth and jobs with
12 wages leading to self-sufficiency;

13 “(D) projects that establish and implement
14 innovative integrated systems training programs
15 targeted to dislocated, disadvantaged incumbent
16 workers that utilize equipment and curriculum
17 designed in partnership with local, regional, or
18 national industries that is computerized, indi-
19 vidualized, self-paced, and interactive that deliv-
20 ers skills and proficiencies that are measurable
21 to train workers for employment in the oper-
22 ations, repair, and maintenance of high-tech
23 equipment that is used in integrated systems
24 technology;

1 “(E) projects carried out by States and
2 local areas to test innovative approaches to de-
3 livering employment-related services;”;

4 (C) in subparagraph (G), by striking
5 “and” after the semicolon; and

6 (D) by striking subparagraph (H) and in-
7 serting the following:

8 “(H) projects that provide retention grants
9 to qualified job training programs upon place-
10 ment or retention of a low-income individual
11 trained by the program in employment with a
12 single employer for a period of 1 year, if such
13 employment provides the low-income individual
14 with an annual salary that is not less than
15 twice the poverty line applicable to the indi-
16 vidual;

17 “(I) targeted innovation projects that im-
18 prove access to and delivery of employment and
19 training services, with emphasis given to
20 projects that incorporate advanced technologies
21 to facilitate the connection of individuals to the
22 information and tools they need to upgrade
23 skills; and

24 “(J) projects that promote the use of dis-
25 tance learning, enabling students to take

courses through the use of media technology
such as videos, teleconferencing computers, and
the Internet.”; and

(2) in paragraph (2)—

(A) by striking subparagraph (B); and

(B) by redesignating subparagraph (C) as
subparagraph (B).

(b) MULTISERVICE PROJECTS.—Section
171(c)(2)(B) (29 U.S.C. 2916(c)(2)(B)) is amended to
read as follows:

“(B) STUDIES AND REPORTS.—

“(i) NET IMPACT STUDIES AND RE-
PORTS.—

“(I) IN GENERAL.—The Sec-
retary shall conduct studies to deter-
mine the net impacts of programs,
services, and activities carried out
under this title.

“(II) REPORTS.—The Secretary
shall prepare and disseminate to the
public reports containing the results
of the studies conducted under sub-
clause (I).

“(ii) STUDY ON RESOURCES AVAIL-
ABLE TO ASSIST OUT-OF-SCHOOL

1 YOUTH.—The Secretary, in coordination
 2 with the Secretary of Education, may con-
 3 duct a study examining the resources avail-
 4 able at the Federal, State, and local levels
 5 to assist out-of-school youth in obtaining
 6 the skills, credentials, and work experience
 7 necessary to become successfully employed,
 8 including the availability of funds provided
 9 through average daily attendance and
 10 other methodologies used by States and
 11 local areas to distribute funds.

12 “(iii) STUDY OF INDUSTRY-BASED
 13 CERTIFICATION AND CREDENTIALS.—

14 “(I) IN GENERAL.—The Sec-
 15 retary shall conduct a study con-
 16 cerning the role and benefits of
 17 credentialing and certification to busi-
 18 nesses and workers in the economy
 19 and the implications of certification to
 20 the services provided through the
 21 workforce investment system. The
 22 study may examine issues such as—

23 “(aa) the characteristics of
 24 successful credentialing and cer-

1 tification systems that serve busi-
2 ness and individual needs;

3 “(bb) the relative propor-
4 tions of certificates and creden-
5 tials attained with assistance
6 from the public sector, with pri-
7 vate-sector training of new hires
8 or incumbent workers, and by in-
9 dividuals on their own initiative
10 without other assistance, respec-
11 tively;

12 “(cc) the return on human
13 capital investments from occupa-
14 tional credentials and industry-
15 based skill certifications, includ-
16 ing the extent to which acquisi-
17 tion of such credentials or certifi-
18 cates enhances outcomes such as
19 entry into employment, retention,
20 earnings (including the number
21 and amount of wage increases),
22 career advancement, and layoff
23 aversion;

24 “(dd) the implications of the
25 effects of skill certifications and

1 credentials to the types and deliv-
2 ery of services provided through
3 the workforce investment system;

4 “(ee) the role that Federal
5 and State governments play in
6 fostering the development of and
7 disseminating credentials and
8 skill standards; and

9 “(ff) the use of credentials
10 by businesses to achieve goals for
11 workforce skill upgrading and
12 greater operating efficiency.

13 “(II) REPORT TO CONGRESS.—

14 The Secretary shall prepare and sub-
15 mit to Congress a report containing
16 the results of the study conducted
17 pursuant to subclause (I). Such report
18 may include any recommendations
19 that the Secretary determines are ap-
20 propriate to include in such report re-
21 lating to promoting the acquisition of
22 industry-based certification and cre-
23 dentials, and the appropriate role of
24 the Department of Labor and the
25 workforce investment system in sup-

1 porting the needs of business and in-
2 dividuals with respect to such certifi-
3 cation and credentials.

4 “(iv) STUDY OF EFFECTIVENESS OF
5 WORKFORCE INVESTMENT SYSTEM IN
6 MEETING BUSINESS NEEDS.—

7 “(I) IN GENERAL.—Using funds
8 available to carry out this section
9 jointly with funds available to the Sec-
10 retary of Commerce and Adminis-
11 trator of the Small Business Adminis-
12 tration, the Secretary, in coordination
13 with the Secretary of Commerce and
14 the Administrator of the Small Busi-
15 ness Administration, may conduct a
16 study of the effectiveness of the work-
17 force investment system in meeting
18 the needs of business, with particular
19 attention to the needs of small busi-
20 ness, including in assisting workers to
21 obtain the skills needed to utilize
22 emerging technologies. In conducting
23 the study, the Secretary, in coordina-
24 tion with the Secretary of Commerce
25 and the Administrator of the Small

1 Business Administration, may exam-
2 ine issues such as—

3 “(aa) methods for identi-
4 fying the workforce needs of
5 businesses and how the require-
6 ments of small businesses may
7 differ from larger establishments;

8 “(bb) business satisfaction
9 with the workforce investment
10 system, with particular emphasis
11 on the satisfaction of small busi-
12 nesses;

13 “(cc) the extent to which
14 business is engaged as a collabo-
15 rative partner in the workforce
16 investment system, including the
17 extent of business involvement as
18 members of State boards and
19 local boards, and the extent to
20 which such boards and one-stop
21 centers effectively collaborate
22 with business and industry lead-
23 ers in developing workforce in-
24 vestment strategies, including

1 strategies to identify high growth
2 opportunities;

3 “(dd) ways in which the
4 workforce investment system ad-
5 dresses changing skill needs of
6 business that result from changes
7 in technology and work processes;

8 “(ee) promising practices for
9 serving small businesses;

10 “(ff) the extent and manner
11 in which the workforce invest-
12 ment system uses technology to
13 serve business and individual
14 needs, and how uses of tech-
15 nology could enhance efficiency
16 and effectiveness in providing
17 services; and

18 “(gg) the extent to which
19 various segments of the labor
20 force have access to and utilize
21 technology to locate job openings
22 and apply for jobs, and charac-
23 teristics of individuals utilizing
24 such technology (such as age,
25 gender, race or ethnicity, indus-

1 try sector, and occupational
2 groups).

3 “(II) REPORT TO CONGRESS.—

4 The Secretary shall prepare and sub-
5 mit to Congress a report containing
6 the results of the study described in
7 clause (I). Such report may include
8 any recommendations the Secretary
9 determines are appropriate to include
10 in such report, including ways to en-
11 hance the effectiveness of the work-
12 force investment system in meeting
13 the needs of business for skilled work-
14 ers.”.

15 (c) CONFORMING AMENDMENT.—Section 171(d) (29
16 U.S.C. 2916(d)) is amended by striking the last sentence.

17 (d) WAIVER AUTHORITY TO CARRY OUT DEM-
18 ONSTRATIONS AND EVALUATIONS.—Section 171 (29
19 U.S.C. 2916) is amended by adding at the end the fol-
20 lowing:

21 “(d) WAIVER AUTHORITY.—In carrying out dem-
22 onstration, pilot, multiservice, research, and multistate
23 projects under this section and evaluations under section
24 172, the Secretary may waive any provisions of this sec-
25 tion that the Secretary determines would prevent the Sec-

1 retary from carrying out such projects and evaluations,
 2 except for provisions relating to wage and labor standards
 3 such as nondisplacement protections, grievance procedures
 4 and judicial review, and nondiscrimination provisions.”.

5 (e) NEXT GENERATION TECHNOLOGIES.—Section
 6 171 (29 U.S.C. 2916) is amended further by adding at
 7 the end the following:

8 “(e) SKILL CERTIFICATION PILOT PROJECTS.—

9 “(1) PILOT PROJECTS.—In accordance with
 10 subsection (b) and from funds appropriated pursu-
 11 ant to paragraph (10), the Secretary of Labor shall
 12 establish and carry out not more than 10 pilot
 13 projects to establish a system of industry-validated
 14 national certifications of skills, including—

15 “(A) not more than 8 national certifi-
 16 cations of skills in high-technology industries,
 17 including biotechnology, telecommunications,
 18 highly automated manufacturing (including
 19 semiconductors), nanotechnology, and energy
 20 technology; and

21 “(B) not more than 2 cross-disciplinary
 22 national certifications of skills in homeland se-
 23 curity technology.

24 “(2) GRANTS TO ELIGIBLE ENTITIES.—In car-
 25 rying out the pilot projects, the Secretary of Labor

1 shall make grants to eligible entities, for periods of
 2 not less than 36 months and not more than 48
 3 months, to carry out the authorized activities de-
 4 scribed in paragraph (7) with respect to the certifi-
 5 cations described in paragraph (1). In awarding
 6 grants under this subsection the Secretary of Labor
 7 shall take into consideration awarding grants to eli-
 8 gible entities from diverse geographic areas, includ-
 9 ing rural areas.

10 “(3) ELIGIBLE ENTITIES.—

11 “(A) DEFINITION OF ELIGIBLE ENTITY.—

12 In this subsection the term ‘eligible entity’
 13 means an entity that shall work in conjunction
 14 with a local board and shall include as a prin-
 15 cipal participant one or more of the following:

16 “(i) A community college or consor-
 17 tium of community colleges.

18 “(ii) An advanced technology edu-
 19 cation center.

20 “(iii) A local workforce investment
 21 board.

22 “(iv) A representative of a business in
 23 a target industry for the certification in-
 24 volved.

1 “(v) A representative of an industry
2 association, labor organization, or commu-
3 nity development organization.

4 “(B) HISTORY OF DEMONSTRATED CAPA-
5 BILITY REQUIRED.—To be eligible to receive a
6 grant under this subsection, an eligible entity
7 shall have a history of demonstrated capability
8 for effective collaboration with industry on
9 workforce development activities that is con-
10 sistent with the goals of this Act.

11 “(4) APPLICATIONS.—To be eligible to receive a
12 grant under this subsection, an eligible entity shall
13 submit an application to the Secretary of Labor at
14 such time, in such manner, and containing such in-
15 formation as the Secretary may require.

16 “(5) CRITERIA.—The Secretary of Labor shall
17 establish criteria, consistent with paragraph (6), for
18 awarding grants under this subsection.

19 “(6) PRIORITY.—In selecting eligible entities to
20 receive grants under this subsection, the Secretary
21 of Labor shall give priority to eligible entities that
22 demonstrate the availability of and ability to provide
23 matching funds from industry or nonprofit sources.
24 Such matching funds may be provided in cash or in
25 kind.

1 “(7) AUTHORIZED ACTIVITIES.—

2 “(A) IN GENERAL.—An eligible entity that
3 receives a grant under this subsection shall use
4 the funds made available through the grant—

5 “(i) to facilitate the establishment of
6 certification requirements for a certifi-
7 cation described in paragraph (1) for an
8 industry;

9 “(ii) to develop and initiate a certifi-
10 cation program that includes preparatory
11 courses, course materials, procedures, and
12 examinations, for the certification; and

13 “(iii) to collect and analyze data re-
14 lated to the program at the program’s
15 completion, and to identify best practices
16 (consistent with paragraph (8)) that may
17 be used by local and State workforce in-
18 vestment boards in the future.

19 “(B) BASIS FOR REQUIREMENTS.—The
20 certification requirements shall be based on ap-
21 plicable skill standards for the industry involved
22 that have been developed by or linked to na-
23 tional centers of excellence under the National
24 Science Foundation’s Advanced Technological
25 Education Program. The requirements shall re-

1 quire an individual to demonstrate an identifi-
2 able set of competencies relevant to the industry
3 in order to receive certification. The require-
4 ments shall be designed to provide evidence of
5 a transferable skill set that allows flexibility and
6 mobility of workers within a high technology in-
7 dustry.

8 “(C) RELATIONSHIP TO TRAINING AND
9 EDUCATION PROGRAMS.—The eligible entity
10 shall ensure that—

11 “(i) a training and education program
12 related to competencies for the industry in-
13 volved, that is flexible in mode and time-
14 frame for delivery and that meets the
15 needs of those seeking the certification, is
16 offered; and

17 “(ii) the certification program is of-
18 fered at the completion of the training and
19 education program.

20 “(D) RELATIONSHIP TO THE ASSOCIATE
21 DEGREE.—The eligible entity shall ensure that
22 the certification program is consistent with the
23 requirements for a 2-year associate degree.

24 “(E) AVAILABILITY.—The eligible entity
25 shall ensure that the certification program is

1 open to students pursuing associate degrees,
2 employed workers, and displaced workers.

3 “(8) CONSULTATION.—The Secretary of Labor
4 shall consult with the Director of the National
5 Science Foundation to ensure that the pilot projects
6 build on the expertise and information about best
7 practices gained through the implementation of the
8 National Science Foundation’s Advanced Techno-
9 logical Education Program.

10 “(9) CORE COMPONENTS; GUIDELINES; RE-
11 PORTS.—After collecting and analyzing the data ob-
12 tained from the pilot programs, the Secretary of
13 Labor shall—

14 “(A) establish the core components of a
15 model high-technology certification program;

16 “(B) establish guidelines to assure develop-
17 ment of a uniform set of standards and policies
18 for such programs;

19 “(C) submit and prepare a report on the
20 pilot projects to the Committee on Health, Edu-
21 cation, Labor, and Pensions of the Senate and
22 the Committee on Education and the Workforce
23 of the House of Representatives; and

24 “(D) make available to the public both the
25 data and the report.

1 “(10) AUTHORIZATION OF APPROPRIATIONS.—

2 In addition to amounts authorized to be appro-
3 priated under section 174(b), there is authorized to
4 be appropriated \$30,000,000 for fiscal year 2004 to
5 carry out this subsection.”.

6 (f) INTEGRATED WORKFORCE TRAINING PROGRAMS
7 FOR ADULTS WITH LIMITED ENGLISH PROFICIENCY.—

8 Section 171 (29 U.S.C. 2916) is amended further by add-
9 ing at the end the following:

10 “(f) INTEGRATED WORKFORCE TRAINING PROGRAMS
11 FOR ADULTS WITH LIMITED ENGLISH PROFICIENCY.—

12 “(1) DEFINITIONS.—In this subsection:

13 “(A) INTEGRATED WORKFORCE TRAIN-
14 ING.—The term ‘integrated workforce training’
15 means training that integrates occupational
16 skills training with language acquisition.

17 “(B) SECRETARY.—The term ‘Secretary’
18 means the Secretary of Labor in consultation
19 with the Secretary of Education.

20 “(2) DEMONSTRATION PROJECT.—In accord-
21 ance with subsection (b) and from funds appro-
22 priated pursuant to paragraph (11), the Secretary
23 shall establish and implement a national demonstra-
24 tion project designed to both analyze and provide
25 data on workforce training programs that integrate

1 English language acquisition and occupational train-
2 ing.

3 “(3) GRANTS.—

4 “(A) IN GENERAL.—In carrying out the
5 demonstration project, the Secretary shall make
6 not less than 10 grants, on a competitive basis,
7 to eligible entities to provide the integrated
8 workforce training programs. In awarding
9 grants under this subsection the Secretary shall
10 take into consideration awarding grants to eligi-
11 ble entities from diverse geographic areas, in-
12 cluding rural areas.

13 “(B) PERIODS.—The Secretary shall make
14 the grants for periods of not less than 24
15 months and not more than 48 months.

16 “(4) ELIGIBLE ENTITIES.—

17 “(A) IN GENERAL.—To be eligible to re-
18 ceive a grant under this subsection, an eligible
19 entity shall work in conjunction with a local
20 board and shall include as a principal partici-
21 pant one or more of the following:

22 “(i) An employer or employer associa-
23 tion.

24 “(ii) A nonprofit provider of English
25 language instruction.

1 “(iii) A provider of occupational or
2 skills training.

3 “(iv) A community-based organiza-
4 tion.

5 “(v) An educational institution, in-
6 cluding a 2- or 4-year college, or a tech-
7 nical or vocational school.

8 “(vi) A labor organization.

9 “(vii) A local board.

10 “(B) EXPERTISE.—To be eligible to re-
11 ceive a grant under this subsection, an eligible
12 entity shall have proven expertise in—

13 “(i) serving individuals with limited
14 English proficiency, including individuals
15 with lower levels of oral and written
16 English; and

17 “(ii) providing workforce programs
18 with training and English language in-
19 struction.

20 “(5) APPLICATIONS.—

21 “(A) IN GENERAL.—To be eligible to re-
22 ceive a grant under this subsection, an eligible
23 entity shall submit an application to the Sec-
24 retary at such time, in such manner, and con-

1 taining such information as the Secretary may
2 require.

3 “(B) CONTENTS.—Each application sub-
4 mitted under subparagraph (A) shall—

5 “(i) contain information, including ca-
6 pability statements, that demonstrates that
7 the eligible entity has the expertise de-
8 scribed in paragraph (4)(B); and

9 “(ii) include an assurance that the
10 program to be assisted shall—

11 “(I) establish a generalized adult
12 bilingual workforce training and edu-
13 cation model that integrates English
14 language acquisition and occupational
15 training, and incorporates the unique
16 linguistic and cultural factors of the
17 participants;

18 “(II) establish a framework by
19 which the employer, employee, and
20 other relevant members of the eligible
21 entity can create a career development
22 and training plan that assists both the
23 employer and the employee to meet
24 their long-term needs;

1 “(III) ensure that this framework
 2 takes into consideration the knowl-
 3 edge, skills, and abilities of the em-
 4 ployee with respect to both the cur-
 5 rent and economic conditions of the
 6 employer and future labor market
 7 conditions relevant to the local area;
 8 and

9 “(IV) establish identifiable meas-
 10 ures so that the progress of the em-
 11 ployee and employer and the relative
 12 efficacy of the program can be evalu-
 13 ated and best practices identified.

14 “(6) CRITERIA.—The Secretary of Labor shall
 15 establish criteria for awarding grants under this
 16 subsection.

17 “(7) INTEGRATED WORKFORCE TRAINING PRO-
 18 GRAMS.—

19 “(A) PROGRAM COMPONENTS.—

20 “(i) REQUIRED COMPONENTS.—Each
 21 program that receives funding under this
 22 subsection shall—

23 “(I) test an individual’s English
 24 language proficiency levels to assess
 25 oral and literacy gains from the begin-

ning and throughout program enrollment;

“(II) combine training specific to a particular occupation or occupational cluster, with—

“(aa) English language instruction, such as instruction through English as a Second Language program, or English for Speakers of Other Languages;

“(bb) basic skills instruction; and

“(cc) supportive services;

“(III) effectively integrate public and private sector entities, including the local workforce investment system and its functions, to achieve the goals of the program; and

“(IV) require matching or in-kind resources from private and non-profit entities.

“(ii) PERMISSIBLE COMPONENTS.—

The program may offer other services, as necessary to promote successful participa-

tion and completion, including work-based learning, substance abuse treatment, and mental health services.

“(B) GOAL.—Each program that receives funding under this subsection shall be designed to prepare limited English proficient adults for and place such adults in employment in growing industries with identifiable career ladder paths.

“(C) PROGRAM TYPES.—In selecting programs to receive funding under this subsection, the Secretary shall select programs that meet 1 or more of the following criteria:

“(i) A program that—

“(I) serves unemployed, limited English proficient individuals with significant work experience or substantial education but persistently low wages; and

“(II) aims to prepare such individuals for and place such individuals in higher paying employment, defined for purposes of this subparagraph as employment that provides at least 75 percent of the median wage in the local area.

1 “(ii) A program that—

2 “(I) serves limited English pro-
3 ficient individuals with lower levels of
4 oral and written fluency, who are
5 working but at persistently low wages;
6 and

7 “(II) aims to prepare such indi-
8 viduals for and place such individuals
9 in higher paying employment, through
10 services provided at the worksite, or
11 at a location central to several work-
12 sites, during work hours.

13 “(iii) A program that—

14 “(I) serves unemployed, limited
15 English proficient individuals with
16 lower levels of oral and written flu-
17 ency, who have little or no work expe-
18 rience; and

19 “(II) aims to prepare such indi-
20 viduals for and place such individuals
21 in employment through services that
22 include subsidized employment, in ad-
23 dition to the components required in
24 subparagraph (A)(i).

1 “(iv) A program that includes funds
2 from private and nonprofit entities.

3 “(D) PROGRAM APPROACHES.—In select-
4 ing programs to receive funding under this sub-
5 section, the Secretary shall select programs
6 with different approaches to integrated work-
7 force training, in different contexts, in order to
8 obtain comparative data on multiple approaches
9 to integrated workforce training and English
10 language instruction, to ensure programs are
11 tailored to characteristics of individuals with
12 varying skill levels and to assess how different
13 curricula work for limited English proficient
14 populations. Such approaches may include—

15 “(i) bilingual programs in which the
16 workplace language component and the
17 training are conducted in a combination of
18 an individual’s native language and
19 English;

20 “(ii) integrated workforce training
21 programs that combine basic skills, lan-
22 guage instruction, and job specific skills
23 training; or

24 “(iii) sequential programs that provide
25 a progression of skills, language, and train-

1 ing to ensure success upon an individual's
2 completion of the program.

3 “(8) EVALUATION BY ELIGIBLE ENTITY.—Each
4 eligible entity that receives a grant under this sub-
5 section for a program shall carry out a continuous
6 program evaluation and an evaluation specific to the
7 last phase of the program operations.

8 “(9) EVALUATION BY SECRETARY.—

9 “(A) IN GENERAL.—The Secretary shall
10 conduct an evaluation of program impacts of
11 the programs funded under the demonstration
12 project, with a random assignment, experi-
13 mental design impact study done at each work-
14 site at which such a program is carried out.

15 “(B) DATA COLLECTION AND ANALYSIS.—
16 The Secretary shall collect and analyze the data
17 from the demonstration project to determine
18 program effectiveness, including gains in lan-
19 guage proficiency, acquisition of skills, and job
20 advancement for program participants.

21 “(C) REPORT.—The Secretary shall pre-
22 pare and submit to the Committee on Health,
23 Education, Labor, and Pensions of the Senate
24 and the Committee on Education and the
25 Workforce of the House of Representatives, and

1 make available to the public, a report on the
 2 demonstration project, including the results of
 3 the evaluation.

4 “(10) TECHNICAL ASSISTANCE.—The Secretary
 5 shall provide technical assistance to recipients of
 6 grants under this subsection throughout the grant
 7 periods.

8 “(11) AUTHORIZATION OF APPROPRIATIONS.—
 9 In addition to amounts authorized to be appro-
 10 priated under section 174(b), there is authorized to
 11 be appropriated \$10,000,000 for fiscal year 2004 to
 12 carry out this subsection.”.

13 **SEC. 147. NATIONAL DISLOCATED WORKER GRANTS.**

14 (a) IN GENERAL.—Section 173 (29 U.S.C. 2918) is
 15 amended—

16 (1) by striking the heading and inserting the
 17 following:

18 **“SEC. 173. NATIONAL DISLOCATED WORKER GRANTS.”;**

19 and

20 (2) in subsection (a)—

21 (A) by striking “national emergency
 22 grants” and inserting “national dislocated
 23 worker grants”;

24 (B) in paragraph (1), by striking “sub-
 25 section (c)” and inserting “subsection (b)”;

1 (C) in paragraph (3), by striking “and”
 2 after the semicolon; and

3 (D) by striking paragraph (4) and insert-
 4 ing the following:

5 “(4) to a State or entity (as defined in sub-
 6 section (b)(1)(B)) to carry out subsection (d), in-
 7 cluding providing assistance to eligible individuals;

8 “(5) to a State or entity (as defined in sub-
 9 section (b)(1)(B)) to carry out subsection (e), in-
 10 cluding providing assistance to eligible individuals;
 11 and

12 “(6) to provide additional assistance to a State
 13 board or local board where a higher than average de-
 14 mand for employment and training services for dis-
 15 located members of the Armed Forces, or spouses of
 16 members of the Armed Forces as described in sub-
 17 section (c)(2)(A)(iv), exceeds State and local re-
 18 sources for providing such services, and where such
 19 programs are to be carried out in partnership with
 20 the Departments of Defense and Veterans Affairs
 21 transition assistance programs.”.

22 (b) ADMINISTRATION AND ADDITIONAL ASSIST-
 23 ANCE.—Section 173 (29 U.S.C. 2918) is amended—

24 (1) by striking subsection (b);

1 (2) by redesignating subsections (c) through (g)
2 as subsections (b) through (f), respectively;

3 (3) by striking subsection (d) (as redesignated
4 by paragraph (2)) and inserting the following:

5 “(d) ADDITIONAL ASSISTANCE.—

6 “(1) IN GENERAL.—From the amount appro-
7 priated and made available to carry out this section
8 for any program year, the Secretary shall use not
9 more than \$20,000,000 to make grants to States to
10 provide employment and training activities under
11 section 134, in accordance with subtitle B.

12 “(2) ELIGIBLE STATES.—The Secretary shall
13 make a grant under paragraph (1) to a State for a
14 program year if—

15 “(A) the amount of the allotment that
16 would be made to the State for the program
17 year 2003 under the formula specified in sec-
18 tion 132(b)(1)(B) as such section was in effect
19 on July 1, 2003, is greater than

20 “(B) the amount of the allotment that
21 would be made to the State for the program
22 year under the formula specified in section
23 132(b)(1)(B).

24 “(3) AMOUNT OF GRANTS.—Subject to para-
25 graph (1), the amount of the grant made under

1 paragraph (1) to a State for a program year shall
2 be based on the difference between—

3 “(A) the amount of the allotment that
4 would be made to the State for the program
5 year 2003 under the formula specified in sec-
6 tion 132(b)(1)(B) as such section was in effect
7 on July 1, 2003; and

8 “(B) the amount of the allotment that
9 would be made to the State for the program
10 year under the formula specified in section
11 132(b)(1)(B).”;

12 (4) in subsection (e) (as redesignated by para-
13 graph (2))—

14 (A) in paragraph (1), by striking “para-
15 graph (4)(A)” and inserting “paragraph (4)”;

16 (B) in paragraph (2), by striking “sub-
17 section (g)” and inserting “subsection (e)”;

18 (C) in paragraph (4), by striking “sub-
19 section (g)” and inserting “subsection (e)”;

20 (D) in paragraph (5), by striking “sub-
21 section (g)” and inserting “subsection (e)”;

22 (E) in paragraph (6)—

23 (i) by striking “subsection (g)” and
24 inserting “subsection (e)”;

1 (ii) by striking “subsection (c)(1)(B)”
 2 and inserting “subsection (b)(1)(B)”; and
 3 (5) in subsection (f)(1) (as redesignated by
 4 paragraph (2))—
 5 (A) by striking “paragraph (4)(B)” and
 6 inserting “paragraph (4)”; and
 7 (B) by striking “subsection (f)(1)(A)” and
 8 inserting “subsection (d)(1)(A)”.

9 **SEC. 148. AUTHORIZATION OF APPROPRIATIONS FOR NA-**
 10 **TIONAL ACTIVITIES.**

11 (a) IN GENERAL.—Section 174(a)(1) (29 U.S.C.
 12 2919(a)(1)) is amended by striking “1999 through 2003”
 13 and inserting “2004 through 2009”.

14 (b) RESERVATIONS.—Section 174(b) (29 U.S.C.
 15 2919(b)) is amended to read as follows:

16 “(b) TECHNICAL ASSISTANCE; DEMONSTRATION AND
 17 PILOT PROJECTS, EVALUATIONS, INCENTIVE GRANTS.—
 18 There are authorized to be appropriated to carry out sec-
 19 tions 170 through 172 and section 136(i) such sums as
 20 may be necessary for each of fiscal years 2004 through
 21 2009.”.

22 **Subtitle E—Administration**

23 **SEC. 151. REQUIREMENTS AND RESTRICTIONS.**

24 Section 181(e) (29 U.S.C. 2931(e)) is amended by
 25 striking “economic development activities,”.

1 **SEC. 152. COST PRINCIPLES.**

2 The matter preceding clause (i) of section
3 184(a)(2)(B) (29 U.S.C. 2934(a)(2)(B)) is amended by
4 striking “section 134(a)(3)(B)” and inserting “section
5 134(a)(4)”.

6 **SEC. 153. REPORTS.**

7 Section 185(c) (29 U.S.C. 2935(c)) is amended—

8 (1) in paragraph (2), by striking “and” after
9 the semicolon“

10 (2) in paragraph (3), by striking the period and
11 inserting “; and”; and

12 (3) by adding at the end the following:

13 “(4) shall have the option to submit or dissemi-
14 nate electronically any reports, records, plans, or any
15 other data that are required to be collected or dis-
16 seminated under this Act.”.

17 **SEC. 154. ADMINISTRATIVE PROVISIONS.**

18 (a) ANNUAL REPORT.—Section 189(d) (29 U.S.C.
19 2939(d)) is amended—

20 (1) in paragraph (3), by striking “and” after
21 the semicolon;

22 (2) by redesignating paragraph (4) as para-
23 graph (5); and

24 (3) by inserting after paragraph (3) the fol-
25 lowing:

1 “(4) the negotiated levels of performance of the
2 States, the States’ requests for adjustments of such
3 levels, and the adjustments of such levels that are
4 made; and”.

5 (b) PROGRAM YEAR.—Section 189(g)(1)(B) (29
6 U.S.C. 2939(g)(1)(B)) is amended—

7 (1) by striking “The” and inserting “For fiscal
8 years preceding fiscal year 2005, the”; and

9 (2) by inserting “such” after “any”.

10 (c) AVAILABILITY.—Section 189(g)(2) (29 U.S.C.
11 2939(g)(2)) is amended, in the first sentence—

12 (1) by striking “Funds” and inserting “Except
13 as otherwise provided in this paragraph, funds”; and

14 (2) by striking “each State receiving” and in-
15 serting “each recipient of”.

16 (d) GENERAL WAIVERS.—Section 189(i)(4) (29
17 U.S.C. 2939(i)(4)) is amended by adding at the end the
18 following:

19 “(D) EXPEDITED REQUESTS.—The Sec-
20 retary shall expedite requests for waivers of
21 statutory or regulatory requirements that have
22 been approved for a State pursuant to subpara-
23 graph (B), provided the requirements of this
24 section have been satisfied.”.

1 **SEC. 155. USE OF CERTAIN REAL PROPERTY.**

2 Section 193 (29 U.S.C. 2943) is amended to read as
3 follows:

4 **“SEC. 193. TRANSFER OF FEDERAL EQUITY IN STATE EM-**
5 **PLOYMENT SECURITY AGENCY REAL PROP-**
6 **ERTY TO THE STATES.**

7 “(a) TRANSFER OF FEDERAL EQUITY.—Notwith-
8 standing any other provision of law, any Federal equity
9 acquired in real property through grants to States award-
10 ed under title III of the Social Security Act (42 U.S.C.
11 501 et seq.) or under the Wagner-Peyser Act is trans-
12 ferred to the States that used the grants for the acquisi-
13 tion of such equity. The portion of any real property that
14 is attributable to the Federal equity transferred under this
15 section shall be used to carry out activities authorized
16 under title III of the Social Security Act or the Wagner-
17 Peyser Act. Any disposition of such real property shall be
18 carried out in accordance with the procedures prescribed
19 by the Secretary and the portion of the proceeds from the
20 disposition of such real property that is attributable to the
21 Federal equity transferred under this section shall be used
22 to carry out activities authorized under title III of the So-
23 cial Security Act or the Wagner-Peyser Act.

24 “(b) LIMITATION ON USE.—A State shall not use
25 funds awarded under title III of the Social Security Act
26 or the Wagner-Peyser Act to amortize the costs of real

1 property that is purchased by any State on or after the
 2 effective date of this provision.”.

3 **SEC. 156. TABLE OF CONTENTS.**

4 Section 1(b) (29 U.S.C. 9201 note) is amended—

5 (1) by striking the item relating to section 123
 6 and inserting the following:

“Sec. 123. Eligible providers of youth activities.”;

7 (2) by striking the item relating to section 169
 8 and inserting the following:

“Sec. 169. Youth challenge grants.”;

9 (3) by striking the item relating to section 193
 10 and inserting the following:

“Sec. 193. Transfer of Federal equity in State employment security agency real
 property to the States.”;

11 (4) by striking the item relating to section 173
 12 and inserting the following:

“Sec. 173. National dislocated worker grants.”;

13 (5) by inserting after the item relating to sec-
 14 tion 212 the following:

“Sec. 213. Incentive grants for States.”;

15 and

16 (6) by inserting after the item relating to sec-
 17 tion 243 the following:

“Sec. 244. Integrated english literacy and civics education.”.

1 **TITLE II—AMENDMENTS TO THE**
2 **ADULT EDUCATION AND FAM-**
3 **ILY LITERACY ACT**

4 **SEC. 201. SHORT TITLE; PURPOSE.**

5 (a) SHORT TITLE.—This title may be cited as the
6 “Adult Education and Family Literacy Act Amendments
7 of 2003”.

8 (b) PURPOSE.—Section 202 of the Adult Education
9 and Family Literacy Act (20 U.S.C. 9201) is amended—
10 (1) in paragraph (2), by striking “and” after
11 the semicolon;

12 (2) in paragraph (3), by striking “education.”
13 and inserting “education and in the transition to
14 postsecondary education; and”; and

15 (3) by adding at the end the following:

16 “(4) assist immigrants and other individuals
17 with limited English proficiency in improving their
18 reading, writing, speaking, and mathematics skills
19 and acquiring an understanding of the American
20 free enterprise system, individual freedom, and the
21 responsibilities of citizenship.”.

22 **SEC. 202. DEFINITIONS.**

23 Section 203 of the Adult Education and Family Lit-
24 eracy Act (20 U.S.C. 9202) is amended—

25 (1) in paragraph (1)—

1 (A) in the matter preceding subparagraph
2 (A), by striking “services or instruction below
3 the postsecondary level” and inserting “aca-
4 demic instruction and education services below
5 the postsecondary level that increase an individ-
6 ual’s ability to read, write, and speak in
7 English and perform mathematics skills”; and

8 (B) by striking subparagraph (C)(i) and
9 inserting the following:

10 “(i) are basic skills deficient as de-
11 fined in section 101;”;

12 (2) in paragraph (2), by striking “activities de-
13 scribed in section 231(b)” and inserting “programs
14 and services which include reading, writing, speak-
15 ing, or mathematics skills, workplace literacy activi-
16 ties, family literacy activities, English language ac-
17 quisition activities, or other activities necessary for
18 the attainment of a secondary school diploma or its
19 State recognized equivalent”;

20 (3) in paragraph (5)—

21 (A) by inserting “an organization that has
22 demonstrated effectiveness in providing adult
23 education, that may include” after “means”;

24 (B) in subparagraph (B), by striking “of
25 demonstrated effectiveness”;

1 (C) in subparagraph (C), by striking “of
2 demonstrated effectiveness”; and

3 (D) in subparagraph (I), by inserting “or
4 coalition” after “consortium”;

5 (4) in paragraph (6)—

6 (A) by striking “LITERACY PROGRAM” and
7 inserting “LANGUAGE ACQUISITION PROGRAM”;

8 (B) by striking “literacy program” and in-
9 serting “language acquisition program”; and

10 (C) by inserting “reading, writing, and
11 speaking” after “competence in”;

12 (5) by redesignating paragraphs (7) through
13 (18) as paragraphs (8) through (19), respectively;

14 (6) by inserting after paragraph (6) the fol-
15 lowing:

16 “(7) ESSENTIAL COMPONENTS OF READING IN-
17 STRUCTION.—The term ‘essential components of
18 reading instruction’ has the meaning given the term
19 in section 1208 of the Elementary and Secondary
20 Education Act of 1965 (20 U.S.C. 6368).”; and

21 (7) by striking paragraph (19), as redesignated
22 by paragraph (4), and inserting the following:

23 “(19) WORKPLACE LITERACY PROGRAM.—The
24 term ‘workplace literacy program’ means an edu-
25 cational program designed to improve the produc-

1 tivity of the workforce through the improvement of
2 literacy skills that is offered by an eligible provider
3 in collaboration with an employer or an employee or-
4 ganization at a workplace, at an off-site location, or
5 in a simulated workplace environment.”.

6 **SEC. 203. AUTHORIZATION OF APPROPRIATIONS.**

7 Section 205 of the Adult Education and Family Lit-
8 eracy Act (20 U.S.C. 9204) is amended—

9 (1) by striking “1999” and inserting “2004”;

10 and

11 (2) by striking “2003” and inserting “2009”.

12 **SEC. 204. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE**
13 **AGENCIES; ALLOTMENTS.**

14 Section 211 of the Adult Education and Family Lit-
15 eracy Act (20 U.S.C. 9211) is amended—

16 (1) by striking subsection (a) and inserting the
17 following:

18 “(a) RESERVATION OF FUNDS.—From the sum ap-
19 propriated under section 205 for a fiscal year, the Sec-
20 retary—

21 “(1) shall reserve 1.5 percent to carry out sec-
22 tion 242, except that the amount so reserved shall
23 not exceed \$10,000,000;

1 “(2) shall reserve 1.5 percent to carry out sec-
2 tion 243, except that the amount so reserved shall
3 not exceed \$8,000,000;

4 “(3) shall make available, to the Secretary of
5 Labor, 1.72 percent for incentive grants under sec-
6 tion 136(i); and

7 “(4) shall reserve 12 percent of the amount
8 that remains after reserving funds under paragraphs
9 (1), (2) and (3) to carry out section 244.”;

10 (2) by striking subsection (d) and inserting the
11 following:

12 “(d) QUALIFYING ADULT.—For the purpose of sub-
13 section (c)(2), the term ‘qualifying adult’ means an adult
14 who—

15 “(1) is not less than 16 years of age;

16 “(2) is beyond the age of compulsory school at-
17 tendance under the law of the State or outlying
18 area;

19 “(3) does not have a secondary school diploma
20 or its recognized equivalent (including recognized al-
21 ternative standards for individuals with disabilities);
22 and

23 “(4) is not enrolled in secondary school.”;

24 (3) in subsection (e)—

1 (A) by striking paragraph (2) and insert-
2 ing the following:

3 “(2) AWARD BASIS.—The Secretary shall award
4 grants pursuant to paragraph (1) on a competitive
5 basis and pursuant to recommendations from the
6 Pacific Region Educational Laboratory in Honolulu,
7 Hawaii.”; and

8 (B) in paragraph (3), by striking “shall”
9 and all that follows through the period and in-
10 serting “shall be eligible to receive a grant
11 under this title until the date when an agree-
12 ment for the extension of the United States
13 education assistance under the Compact of Free
14 Association for each of the Freely Associated
15 States becomes effective.”; and

16 (4) in subsection (f)—

17 (A) in the heading, by inserting “PROVI-
18 SIONS” after “HOLD-HARMLESS”;

19 (B) by redesignating paragraph (2) as
20 paragraph (3); and

21 (C) by striking paragraph (1) and insert-
22 ing the following:

23 “(1) IN GENERAL.—Notwithstanding subsection
24 (c) and subject to paragraphs (2) and (3), for fiscal
25 year 2004 and each succeeding fiscal year, no eligi-

1 ble agency shall receive an allotment under this title
 2 that is less than 90 percent of the allotment the eli-
 3 gible agency received for the preceding fiscal year
 4 under this title.

5 “(2) 100 PERCENT ALLOTMENT.—An eligible
 6 agency shall receive an allotment under this title
 7 that is equal to 100 percent of the allotment the eli-
 8 gible agency received for the preceding fiscal year
 9 under this title if the eligible agency received, for the
 10 preceding fiscal year, only an initial allotment under
 11 subsection (c)(1) and did not receive an additional
 12 allotment under subsection (c)(2).”.

13 **SEC. 205. PERFORMANCE ACCOUNTABILITY SYSTEM.**

14 Section 212 of the Adult Education and Family Lit-
 15 eracy Act (20 U.S.C. 9212) is amended—

16 (1) in subsection (b)—

17 (A) in paragraph (1)(A)(ii), by striking
 18 “additional indicators of performance (if any)”
 19 and inserting “employment performance indica-
 20 tors”;

21 (B) in paragraph (2)—

22 (i) in subparagraph (A)—

23 (I) in clause (i), by striking
 24 “Demonstrated” and inserting “Meas-
 25 urable”;

1 (II) by striking clause (ii) and in-
2 serting the following:

3 “(ii) Placement in, retention in, or
4 completion of, postsecondary education or
5 other training programs.”; and

6 (III) in clause (iii), by inserting
7 “(including recognized alternative
8 standards for individuals with disabili-
9 ties)” after “equivalent”;

10 (ii) by redesignating subparagraph
11 (B) as subparagraph (C);

12 (iii) by inserting after subparagraph
13 (A), the following:

14 “(B) EMPLOYMENT PERFORMANCE INDICATORS.—An eligible agency shall identify in
15 the State plan individual participant employ-
16 ment performance indicators, including entry
17 into unsubsidized employment, retention in un-
18 subsidized employment, and career advance-
19 ment. The State workforce investment board
20 shall assist the eligible agency in obtaining and
21 using quarterly wage records to collect data for
22 such indicators, consistent with applicable Fed-
23 eral and State privacy laws.”;

1 (iv) in subparagraph (C), as redesign-
 2 nated by clause (ii), by inserting “rel-
 3 evant” after “additional”; and

4 (v) by adding at the end the following:

5 “(D) INDICATORS FOR WORKPLACE LIT-
 6 ERACY PROGRAMS.—Special accountability
 7 measures may be negotiated for workplace lit-
 8 eracy programs.”; and

9 (C) in paragraph (3)—

10 (i) in subparagraph (A)—

11 (I) in clause (i)(II), by striking
 12 “in performance” and inserting “the
 13 agency’s performance outcomes in an
 14 objective, quantifiable, and measur-
 15 able form”;

16 (II) in clause (ii), by striking “3
 17 programs years” and inserting “2
 18 program years”;

19 (III) in clause (iii), by striking
 20 “FIRST 3 YEARS” and inserting
 21 “FIRST 2 YEARS”;

22 (IV) in clause (iii), by striking
 23 “first 3 program years” and inserting
 24 “first 2 program years”;

1 (V) in clause (v), by striking
2 “4TH AND 5TH” and inserting “3RD
3 AND 4TH”;

4 (VI) in clause (v), by striking “to
5 the fourth” and inserting “to the
6 third”;

7 (VII) in clause (v), by striking
8 “fourth and fifth” and inserting
9 “third and fourth”; and

10 (VIII) in clause (vi), by striking
11 “(II)” and inserting “(I)”;
12 (ii) in subparagraph (B)—

13 (I) by striking the heading and
14 inserting “LEVELS OF EMPLOYMENT
15 PERFORMANCE”;

16 (II) by striking “may” and in-
17 serting “shall”; and

18 (III) by striking “additional” and
19 inserting “employment”; and

20 (iii) by adding at the end the fol-
21 lowing:

22 “(C) ALTERNATIVE ASSESSMENT SYS-
23 TEMS.—Eligible agencies may approve the use
24 of assessment systems that are not commer-
25 cially available standardized systems if such

1 systems meet the Standards for Educational
2 and Psychological Testing issued by the Joint
3 Committee on Standards for Educational and
4 Psychological Testing of the American Edu-
5 cational Research Association, the American
6 Psychological Association, and the National
7 Council on Measurement in Education.”;

8 (2) in subsection (c)—

9 (A) in paragraph (1)—

10 (i) by inserting “the Governor, the
11 State legislature, and the State workforce
12 investment board” after “Secretary”; and

13 (ii) by striking “including” and all
14 that follows through the period and insert-
15 ing “including the following:

16 “(A) Information on the levels of perform-
17 ance achieved by the eligible agency with re-
18 spect to the core indicators of performance, and
19 employment performance indicators.

20 “(B) The number and type of each eligible
21 provider that receives funding under such
22 grant.

23 “(C) The number of enrollees 16 to 18
24 years of age who enrolled in adult education not

1 later than 1 year after participating in sec-
 2 ondary school education.”;

3 (B) in paragraph (2)(A), by inserting “eli-
 4 gible providers and” after “available to”; and

5 (C) by adding at the end the following:

6 “(3) DATA ACCESS.—The report made available
 7 under paragraph (2) shall indicate which eligible
 8 agencies did not have access to State unemployment
 9 insurance wage data in measuring employment per-
 10 formance indicators.”; and

11 (3) by adding at the end the following:

12 “(d) PROGRAM IMPROVEMENT.—

13 “(1) IN GENERAL.—If the Secretary determines
 14 that an eligible agency did not meet its adjusted lev-
 15 els of performance for the core indicators of per-
 16 formance described in subsection (b)(2)(A) for any
 17 program year, the eligible agency shall—

18 “(A) work with the Secretary to develop
 19 and implement a program improvement plan for
 20 the 2 program years succeeding the program
 21 year in which the eligible agency did not meet
 22 its adjusted levels of performance; and

23 “(B) revise its State plan under section
 24 224, if necessary, to reflect the changes agreed
 25 to in the program improvement plan.

1 “(2) FURTHER ASSISTANCE.—If, after the pe-
 2 riod described in paragraph (1)(A), the Secretary
 3 has provided technical assistance to the eligible
 4 agency but determines that the eligible agency did
 5 not meet its adjusted levels of performance for the
 6 core indicators of performance described in sub-
 7 section (b)(2)(A), the Secretary may require the eli-
 8 gible agency to make further revisions to the pro-
 9 gram improvement plan described in paragraph (1).
 10 Such further revisions shall be accompanied by fur-
 11 ther technical assistance from the Secretary.”.

12 **SEC. 206. STATE ADMINISTRATION.**

13 Section 221(1) of the Adult Education and Family
 14 Literacy Act (20 U.S.C. 9221(1)) is amended by striking
 15 “and implementation” and inserting “implementation,
 16 and monitoring”.

17 **SEC. 207. STATE DISTRIBUTION OF FUNDS; MATCHING RE-**
 18 **QUIREMENT.**

19 Section 222 of the Adult Education and Family Lit-
 20 eracy Act (20 U.S.C. 9222) is amended—

21 (1) in subsection (a)—

22 (A) in paragraph (1)—

23 (i) by striking “82.5” the first place
 24 such term appears and inserting “80”; and

1 (ii) by striking “the 82.5 percent”
 2 and inserting “such amount”;

3 (B) in paragraph (2), by striking “not
 4 more than 12.5 percent” and inserting “not
 5 more than 15 percent”; and

6 (C) in paragraph (3), by striking
 7 “\$65,000” and inserting “\$75,000”; and
 8 (2) in subsection (b)(1), by striking “equal to”
 9 and inserting “that is not less than”.

10 **SEC. 208. STATE LEADERSHIP ACTIVITIES.**

11 Section 223 of the Adult Education and Family Lit-
 12 eracy Act (20 U.S.C. 9223) is amended—

13 (1) in subsection (a)—

14 (A) in the matter preceding paragraph (1),
 15 by inserting “to develop or enhance the adult
 16 education system of the State” after “activi-
 17 ties”;

18 (B) in paragraph (1), by striking “instruc-
 19 tion incorporating” and all that follows through
 20 the period and inserting “instruction incor-
 21 porating the essential components of reading in-
 22 struction and instruction provided by volunteers
 23 or by personnel of a State or outlying area.”;

24 (C) in paragraph (2), by inserting “, in-
 25 cluding development and dissemination of in-

1 instructional and programmatic practices based
2 on the most rigorous research available in read-
3 ing, writing, speaking, mathematics, English
4 language acquisition programs, distance learn-
5 ing and staff training” after “activities”;

6 (D) in paragraph (5), by striking “moni-
7 toring and”;

8 (E) by striking paragraph (6) and insert-
9 ing the following:

10 “(6) The development and implementation of
11 technology applications, translation technology, or
12 distance learning, including professional development
13 to support the use of instructional technology.”; and

14 (F) by striking paragraph (7) through
15 paragraph (11) and inserting the following:

16 “(7) Coordination with—

17 “(A) other partners carrying out activities
18 authorized under this Act; and

19 “(B) existing support services, such as
20 transportation, child care, mental health serv-
21 ices, and other assistance designed to increase
22 rates of enrollment in, and successful comple-
23 tion of adult education and literacy activities,
24 for adults enrolled in such activities.

1 “(8) Developing and disseminating curricula,
2 including curricula incorporating the essential com-
3 ponents of reading instruction as they relate to
4 adults.

5 “(9) The provision of assistance to eligible pro-
6 viders in developing, implementing, and reporting
7 measurable progress in achieving the objectives of
8 this subtitle.

9 “(10) The development and implementation of
10 a system to assist in the transition from adult basic
11 education to postsecondary education, including link-
12 ages with postsecondary educational institutions.

13 “(11) Integration of literacy and English lan-
14 guage instruction with occupational skill training,
15 and promoting linkages with employers.

16 “(12) Activities to promote workplace literacy
17 programs.

18 “(13) Activities to promote and complement
19 local outreach initiatives described in section
20 243(c)(2)(H).

21 “(14) In cooperation with efforts funded under
22 sections 242 and 243, the development of curriculum
23 frameworks and rigorous content standards that—

24 “(A) specify what adult learners should
25 know and be able to do in the areas of reading

1 and language arts, mathematics, and English
2 language acquisition; and

3 “(B) take into consideration the following:

4 “(i) State academic standards estab-
5 lished under section 1111(b) of the Ele-
6 mentary and Secondary Education Act of
7 1965.

8 “(ii) The current adult skills and lit-
9 eracy assessments used in the State.

10 “(iii) The core indicators of perform-
11 ance established under section
12 212(b)(2)(A).

13 “(iv) Standards and academic require-
14 ments for enrollment in non-remedial, for-
15 credit, courses in State supported postsec-
16 ondary education institutions.

17 “(v) Where appropriate, the basic and
18 literacy skill content of occupational and
19 industry skill standards widely used by
20 business and industry in the State.

21 “(15) In cooperation with efforts funded under
22 sections 242 and 243, development and piloting of—

23 “(A) new assessment tools and strategies
24 that identify the needs and capture the gains of

1 students at all levels, with particular emphasis
 2 on—

3 “(i) students at the lowest achieve-
 4 ment level;

5 “(ii) students who have limited
 6 English proficiency; and

7 “(iii) adults with learning disabilities;

8 “(B) options for improving teacher quality
 9 and retention; and

10 “(C) assistance in converting research into
 11 practice.

12 “(16) The development and implementation of
 13 programs and services to meet the needs of adult
 14 learners with learning disabilities or limited English
 15 proficiency.

16 “(17) Other activities of statewide significance
 17 that promote the purpose of this title.”; and

18 (2) in subsection (c), by striking “being State-
 19 or outlying area-imposed” and inserting “being im-
 20 posed by the State or outlying area”.

21 **SEC. 209. STATE PLAN.**

22 Section 224 of the Adult Education and Family Lit-
 23 eracy Act (20 U.S.C. 9224) is amended—

24 (1) in subsection (a)—

1 (A) by striking the heading and inserting
2 “4-YEAR PLANS”; and

3 (B) in paragraph (1), by striking “5” and
4 inserting “4”;
5 (2) in subsection (b)—

6 (A) in paragraph (1), by inserting “and
7 the role of provider and cooperating agencies in
8 preparing the assessment” after “serve”;

9 (B) by striking paragraph (2) and insert-
10 ing the following:

11 “(2) a description of how the eligible agency
12 will address the adult education and literacy needs
13 identified under paragraph (1) in each workforce de-
14 velopment area of the State, using funds received
15 under this subtitle, as well as other Federal, State,
16 or local funds received in partnership with other
17 agencies for the purpose of adult literacy as applica-
18 ble;”;

19 (C) in paragraph (3)—

20 (i) by inserting “and measure” after
21 “evaluate”;

22 (ii) by inserting “and improvement”
23 after “effectiveness”; and

24 (iii) by striking “212” and inserting
25 “212, including—

1 “(A) how the eligible agency will evaluate
2 and measure annually such effectiveness on a
3 grant-by-grant basis; and

4 “(B) how the eligible agency—

5 “(i) will hold eligible providers ac-
6 countable regarding the progress of such
7 providers in improving the academic
8 achievement of participants in adult edu-
9 cation programs under this subtitle and re-
10 garding the core indicators of performance
11 described in section 212(b)(2)(A); and

12 “(ii) will use technical assistance,
13 sanctions, and rewards (including alloca-
14 tion of grant funds based on performance
15 and termination of grant funds based on
16 performance)”;

17 (D) in paragraph (4), by striking “will en-
18 sure the improvement of” and inserting “im-
19 proved”;

20 (E) by redesignating paragraphs (5)
21 through (12) as paragraphs (6) through (13),
22 respectively;

23 (F) by inserting after paragraph (4) the
24 following:

1 “(5) a description of how the eligible agency
2 will improve teacher quality, the professional devel-
3 opment of eligible providers, and instruction;”;

4 (G) in paragraph (6) (as redesignated by
5 subparagraph (E)), by striking “who” and all
6 that follows through the semicolon and insert-
7 ing “that—

8 “(A) offers flexible schedules and coordi-
9 nates with necessary Federal, State, and local
10 support services (such as child care, transpor-
11 tation, mental health services, and case man-
12 agement) to enable individuals, including indi-
13 viduals with disabilities or individuals with
14 other special needs, to participate in adult edu-
15 cation and literacy activities; and

16 “(B) attempts to coordinate with support
17 services that are not provided under this sub-
18 title prior to using funds for adult education
19 and literacy activities provided under this sub-
20 title for support services;”;

21 (H) in paragraph (10) (as redesignated by
22 subparagraph (E)), by striking “plan” and in-
23 serting “plan, which process—

24 “(A) shall include the State Workforce In-
25 vestment Board, the Governor, State officials

1 representing public schools, community colleges,
 2 welfare agencies, agencies that provide services
 3 to individuals with disabilities, other State
 4 agencies that promote or operate adult edu-
 5 cation and literacy activities, and direct pro-
 6 viders of such adult literacy services; and

7 “(B) may include consultation with the
 8 State agency for higher education, institutions
 9 responsible for professional development of
 10 adult education and literacy education program
 11 instructors, institutions of higher education,
 12 representatives of business and industry, ref-
 13 ugee assistance programs, and community-
 14 based organizations, as defined in section
 15 101;”;

16 (I) in paragraph (11) (as redesignated by
 17 subparagraph (E))—

18 (i) by inserting “assess potential pop-
 19 ulation needs and” after “will”;

20 (ii) in subparagraph (A), by striking
 21 “students” and inserting “individuals”;

22 (iii) in subparagraph (C), by striking
 23 “and” after the semicolon; and

24 (iv) by adding at the end the fol-
 25 lowing:

1 “(E) the unemployed; and

2 “(F) those who are employed, but at levels
3 below self-sufficiency, as defined in section
4 101.”;

5 (J) in paragraph (12) (as redesignated by
6 subparagraph (E))—

7 (i) by inserting “and how the plan
8 submitted under this subtitle is coordi-
9 nated with the plan submitted by the State
10 under title I” after “eligible agency”; and

11 (ii) by striking “and” after the semi-
12 colon;

13 (K) in paragraph (13) (as redesignated by
14 subparagraph (E)), by striking “231(c)(1).”
15 and inserting “231(c)(1), including—

16 “(A) how the State will build the capacity
17 of organizations that provide adult education
18 and literacy activities; and

19 “(B) how the State will increase the par-
20 ticipation of business and industry in adult edu-
21 cation and literacy activities;”; and

22 (L) by adding at the end the following:

23 “(14) a description of how the eligible agency
24 will consult with any State agency responsible for
25 postsecondary education to develop adult education

1 programs and services (including academic skill de-
2 velopment and support services) that prepare stu-
3 dents to enter postsecondary education upon comple-
4 tion of secondary school programs or their recog-
5 nized equivalent;

6 “(15) a description of how the eligible agency
7 will consult with the State agency responsible for
8 workforce development to develop adult education
9 programs and services that are designed to prepare
10 students to enter the workforce; and

11 “(16) a description of how the eligible agency
12 will improve the professional development of eligible
13 providers of adult education and literacy activities.”;

14 (3) in subsection (c), by adding at the end the
15 following: “At a minimum, such revision shall occur
16 every 2 years.”; and

17 (4) in subsection (d)—

18 (A) in paragraph (1), by inserting “, the
19 chief State school officer, the State officer re-
20 sponsible for administering community and
21 technical colleges, and the State Workforce In-
22 vestment Board” after “Governor”; and

23 (B) in paragraph (2), by striking “com-
24 ments” and all that follows through the period
25 and inserting “comments regarding the State

1 plan by the Governor, the chief State school of-
 2 ficer, the State officer responsible for admin-
 3 istering community and technical colleges, and
 4 the State Workforce Investment Board, and
 5 any revision to the State plan, are submitted to
 6 the Secretary.”.

7 **SEC. 210. PROGRAMS FOR CORRECTIONS EDUCATION AND**
 8 **OTHER INSTITUTIONALIZED INDIVIDUALS.**

9 Section 225 of the Adult Education and Family Lit-
 10 eracy Act (20 U.S.C. 9225) is amended—

11 (1) in subsection (b)—

12 (A) in paragraph (1), by striking “basic
 13 education” and inserting “adult education and
 14 literacy activities”;

15 (B) in paragraph (2) by inserting “and”
 16 after the semicolon;

17 (C) by striking paragraph (3); and

18 (D) by redesignating paragraph (4) as
 19 paragraph (3); and

20 (2) in subsection (d), by striking “DEFINITION
 21 OF CRIMINAL OFFENDER.—” and inserting “DEFI-
 22 NITIONS.—In this section:”.

1 **SEC. 211. GRANTS AND CONTRACTS FOR ELIGIBLE PRO-**
2 **VIDERS.**

3 Section 231 of the Adult Education and Family Lit-
4 eracy Act (20 U.S.C. 9241) is amended—

5 (1) in subsection (b)—

6 (A) in paragraph (1), by striking “work-
7 place literacy services” and inserting “work-
8 place literacy programs”; and

9 (B) in paragraph (3), by striking “lit-
10 eracy” and inserting “language acquisition”;

11 (2) in subsection (e)—

12 (A) in paragraph (1), by inserting “to be
13 achieved annually on the core indicators of per-
14 formance and employment performance indica-
15 tors described in section 212(b)(2)” after “out-
16 comes”;

17 (B) by striking paragraph (3) and insert-
18 ing the following:

19 “(3) the commitment of the eligible provider to
20 be responsive to local needs and to serve individuals
21 in the community who were identified by the assess-
22 ment as most in need of adult literacy services, in-
23 cluding individuals who are low-income, have mini-
24 mal literacy skills, have learning disabilities, or have
25 limited English proficiency;”;

1 (C) in paragraph (4)(B), by striking “,
2 such as” and all that follows through the semi-
3 colon and inserting “that include the essential
4 components of reading instruction;”;

5 (D) in paragraph (5), by striking “re-
6 search” and inserting “the most rigorous re-
7 search available”;

8 (E) in paragraph (7), by inserting “, when
9 appropriate and based on the most rigorous re-
10 search available,” after “real life contexts”;

11 (F) in paragraph (9), by inserting “edu-
12 cation, job-training, and social service” after
13 “other available”;

14 (G) in paragraph (10)—

15 (i) by inserting “coordination with
16 Federal, State, and local” after “schedules
17 and”; and

18 (ii) by striking “and transportation”
19 and inserting “, transportation, mental
20 health services, and case management”;

21 (H) in paragraph (11)—

22 (i) by inserting “measurable” after
23 “report”;

24 (ii) by striking “eligible agency”;

1 (iii) by inserting “established by the
2 eligible agency” after “performance meas-
3 ures”; and

4 (iv) by striking “and” after the semi-
5 colon;

6 (I) in paragraph (12), by striking “literacy
7 programs.” and inserting “language acquisition
8 programs and civics education programs;”; and

9 (J) by adding at the end the following:

10 “(13) the capacity of the eligible provider to
11 produce information on performance results, includ-
12 ing enrollments and measurable participant out-
13 comes;

14 “(14) whether reading, writing, speaking, math-
15 ematics, and English language acquisition instruc-
16 tion provided by the eligible provider are based on
17 the best practices derived from the most rigorous re-
18 search available;

19 “(15) whether the eligible provider’s applica-
20 tions of technology and services to be provided are
21 sufficient to increase the amount and quality of
22 learning and lead to measurable learning gains with-
23 in specified time periods; and

24 “(16) the capacity of the eligible provider to
25 serve adult learners with learning disabilities.”.

1 **SEC. 212. LOCAL APPLICATION.**

2 Section 232 of the Adult Education and Family Lit-
3 eracy Act (20 U.S.C. 9242) is amended—

4 (1) in paragraph (1)—

5 (A) by inserting “consistent with the re-
6 quirements of this subtitle” after “spent”; and

7 (B) by striking “and” after the semicolon;

8 (2) in paragraph (2), by striking the period at
9 the end and inserting “; and”; and

10 (3) by adding at the end the following:

11 “(3) each of the demonstrations required under
12 section 231(e).”.

13 **SEC. 213. LOCAL ADMINISTRATIVE COST LIMITS.**

14 Section 233 of the Adult Education and Family Lit-
15 eracy Act (20 U.S.C. 9243) is amended—

16 (1) in subsection (a)(2)—

17 (A) by inserting “and professional” after
18 “personnel”; and

19 (B) by inserting “development of measur-
20 able goals in reading, writing, and speaking the
21 English language, and in mathematical com-
22 putation,” after “development,”; and

23 (2) in subsection (b)—

24 (A) by inserting “and professional” after
25 “personnel”; and

1 (B) by inserting “development of measur-
2 able goals in reading, writing, and speaking the
3 English language, and in mathematical com-
4 putation,” after “development,”.

5 **SEC. 214. ADMINISTRATIVE PROVISIONS.**

6 Section 241(b) of the Adult Education and Family
7 Literacy Act (20 U.S.C. 9251(b)) is amended—

8 (1) in paragraph (1)(A)—

9 (A) by striking “adult education and lit-
10 eracy activities” both places such terms appear
11 and inserting “activities under this subtitle”;
12 and

13 (B) by striking “was” and inserting
14 “were”; and

15 (2) in paragraph (4)—

16 (A) by inserting “not more than” after
17 “this subsection for”; and

18 (B) by striking “only”.

19 **SEC. 215. NATIONAL INSTITUTE FOR LITERACY.**

20 Section 242 of the Adult Education and Family Lit-
21 eracy Act (20 U.S.C. 9252) is amended—

22 (1) in subsection (a)—

23 (A) in paragraph (1), by striking “lit-
24 eracy” and inserting “effective literacy pro-
25 grams for children, youth, adults, and families”;

1 (B) in paragraph (2), by inserting “and
 2 disseminates information on” after “coordi-
 3 nates”; and

4 (C) by striking paragraph (3)(A) and in-
 5 serting the following:

6 “(A) coordinating and participating in the
 7 Federal effort to identify and disseminate infor-
 8 mation on literacy that is derived from scientif-
 9 ically based research, or the most rigorous re-
 10 search available and effective programs that
 11 serve children, youth, adults, and families.”;

12 (2) by striking subsection (b)(3) and inserting
 13 the following:

14 “(3) RECOMMENDATIONS.—The Interagency
 15 Group, in consultation with the National Institute
 16 for Literacy Advisory Board (in this section referred
 17 to as the ‘Board’) established under subsection (e),
 18 shall plan the goals of the Institute and the imple-
 19 mentation of any programs to achieve the goals. The
 20 Board may also request a meeting of the Inter-
 21 agency Group to discuss any recommendations the
 22 Board may make.”;

23 (3) in subsection (c)—

24 (A) in paragraph (1)—

25 (i) in subparagraph (A)—

1 (I) by striking “to establish” and
 2 inserting “to maintain”;

3 (II) in clause (i), by striking
 4 “phonemic awareness, systematic
 5 phonics, fluency, and reading com-
 6 prehension” and inserting “the essen-
 7 tial components of reading instruc-
 8 tion”;

9 (III) in clause (iii), by striking
 10 “and” after the semicolon;

11 (IV) in clause (iv), by inserting
 12 “and” after the semicolon; and

13 (V) by adding at the end the fol-
 14 lowing:

15 “(v) a list of local adult education and
 16 literacy programs;”;

17 (ii) in subparagraph (C)—

18 (I) by striking “reliable and
 19 replicable research” and inserting “re-
 20 liable and replicable research as de-
 21 fined by the Institute of Education
 22 Sciences”; and

23 (II) by striking “especially with
 24 the Office of Educational Research

1 and Improvement in the Department
2 of Education,”;

3 (iii) in subparagraph (D), by striking
4 “phonemic awareness, systematic phonics,
5 fluency, and reading comprehension based
6 on” and inserting “the essential compo-
7 nents of reading instruction and”;

8 (iv) in subparagraph (H), by striking
9 “and” after the semicolon;

10 (v) in subparagraph (I), by striking
11 the period at the end and inserting a semi-
12 colon; and

13 (vi) by adding at the end the fol-
14 lowing:

15 “(J) to work cooperatively with the De-
16 partment of Education to assist States that are
17 pursuing the implementation of standards-based
18 educational improvements for adults through
19 the dissemination of training, technical assist-
20 ance, and related support and through the de-
21 velopment and dissemination of related stand-
22 ards-based assessment instruments; and

23 “(K) to identify rigorous research on the
24 effectiveness of instructional practices and orga-
25 nizational strategies relating to literacy pro-

1 grams on the acquisition of skills in reading,
 2 writing, English acquisition, and mathe-
 3 matics.”; and

4 (B) by adding at the end the following:

5 “(3) COORDINATION.—In identifying the reli-
 6 able and replicable research the Institute will sup-
 7 port, the Institute shall use standards for research
 8 quality that are consistent with those of the Insti-
 9 tute of Education Sciences.”;

10 (4) in subsection (e)—

11 (A) in paragraph (1)(B)—

12 (i) in clause (i), by striking “literacy
 13 programs” and inserting “language acqui-
 14 sition programs”;

15 (ii) in clause (ii), by striking “literacy
 16 programs” and inserting “or have partici-
 17 pated in or partnered with workplace lit-
 18 eracy programs”;

19 (iii) in clause (iv), by inserting “, in-
 20 cluding adult literacy research” after “re-
 21 search”;

22 (iv) in clause (vi), by striking “and”
 23 after the semicolon;

24 (v) in clause (vii), by striking the pe-
 25 riod at the end and inserting “; and”; and

1 (vi) by adding at the end the fol-
2 lowing:

3 “(viii) institutions of higher edu-
4 cation.”;

5 (B) in paragraph (2)—

6 (i) in subparagraph (B), by striking
7 “and” after the semicolon;

8 (ii) in subparagraph (C), by striking
9 the period at the end and inserting “;
10 and”; and

11 (iii) by adding at the end the fol-
12 lowing:

13 “(D) review the biennial report submitted
14 to Congress pursuant to subsection (k).”; and

15 (C) in paragraph (5), by striking the sec-
16 ond sentence and inserting the following: “A
17 recommendation of the Board may be passed
18 only by a majority of the Board’s members
19 present at a meeting for which there is a
20 quorum.”; and

21 (5) in subsection (k)—

22 (A) by striking “Labor and Human Re-
23 sources” and inserting “Health, Education,
24 Labor, and Pensions”; and

1 (B) by striking “The Institute shall submit
 2 a report biennially to” and inserting “Not later
 3 than 1 year after the date of enactment of the
 4 Adult Education and Family Literacy Act
 5 Amendments of 2003, and biennially thereafter,
 6 the Institute shall submit a report to”.

7 **SEC. 216. NATIONAL LEADERSHIP ACTIVITIES.**

8 Section 243 of the Adult Education and Family Lit-
 9 eracy Act (20 U.S.C. 9253) is amended to read as follows:

10 **“SEC. 243. NATIONAL LEADERSHIP ACTIVITIES.**

11 “(a) IN GENERAL.—The Secretary shall establish
 12 and carry out a program of national leadership activities
 13 to enhance the quality of adult education and literacy pro-
 14 grams nationwide.

15 “(b) PERMISSIVE ACTIVITIES.—The national leader-
 16 ship activities described in subsection (a) may include the
 17 following:

18 “(1) Technical assistance, including—

19 “(A) assistance provided to eligible pro-
 20 viders in developing and using performance
 21 measures for the improvement of adult edu-
 22 cation and literacy activities, including family
 23 literacy services;

24 “(B) assistance related to professional de-
 25 velopment activities, and assistance for the pur-

1 poses of developing, improving, identifying, and
2 disseminating the most successful methods and
3 techniques for providing adult education and
4 literacy activities, including family literacy serv-
5 ices, based on scientific evidence where avail-
6 able;

7 “(C) assistance in distance learning and
8 promoting and improving the use of technology
9 in the classroom;

10 “(D) assistance in developing valid, meas-
11 urable, and reliable performance data, including
12 data around employment and employment out-
13 come, and using performance information for
14 the improvement of adult education and literacy
15 programs; and

16 “(E) assistance to help States, particularly
17 low-performing States, meet the requirements
18 of section 212.

19 “(2) A program of grants, contracts, or cooper-
20 ative agreements awarded on a competitive basis to
21 national, regional, or local networks of private non-
22 profit organizations, public libraries, or institutions
23 of higher education to build the capacity of such net-
24 works’ members to meet the performance require-

1 ments of eligible providers under this title and in-
2 volve adult learners in program improvement.

3 “(3) Funding national leadership activities that
4 are not described in paragraph (1), either directly or
5 through grants, contracts, or cooperative agreements
6 awarded on a competitive basis to or with postsec-
7 ondary educational institutions, public or private or-
8 ganizations or agencies, or consortia of such institu-
9 tions, organizations, or agencies, such as—

10 “(A) developing, improving, and identifying
11 the most successful methods and techniques for
12 addressing the education needs of adults, in-
13 cluding instructional practices using the essen-
14 tial components of reading instruction based on
15 the work of the National Institute of Child
16 Health and Human Development;

17 “(B) increasing the effectiveness of, and
18 improving the quality of, adult education and
19 literacy activities, including family literacy serv-
20 ices;

21 “(C) carrying out research on national lit-
22 eracy basic skill acquisition for adult learning,
23 including estimating the number of adults func-
24 tioning at the lowest levels of literacy pro-
25 ficiency;

1 “(D)(i) carrying out demonstration pro-
2 grams;

3 “(ii) disseminating best practices informa-
4 tion, including information regarding promising
5 practices resulting from federally funded dem-
6 onstration programs; and

7 “(iii) developing and replicating best prac-
8 tices and innovative programs, including—

9 “(I) the development of models for
10 basic skill certificates;

11 “(II) the identification of effective
12 strategies for working with adults with
13 learning disabilities and with adults with
14 limited English proficiency;

15 “(III) integrated basic and workplace
16 skills education programs;

17 “(IV) coordinated literacy and em-
18 ployment services; and

19 “(V) postsecondary education transi-
20 tion programs;

21 “(E) providing for the conduct of an inde-
22 pendent evaluation and assessment of adult
23 education and literacy activities through studies
24 and analyses conducted independently through
25 grants and contracts awarded on a competitive

1 basis, which evaluation and assessment shall in-
2 clude descriptions of—

3 “(i) the effect of performance meas-
4 ures and other measures of accountability
5 on the delivery of adult education and lit-
6 eracy activities, including family literacy
7 services;

8 “(ii) the extent to which the adult
9 education and literacy activities, including
10 family literacy services, increase the lit-
11 eracy skills of adults (and of children, in
12 the case of family literacy services), lead
13 the participants in such activities to in-
14 volvement in further education and train-
15 ing, enhance the employment and earnings
16 of such participants, and, if applicable,
17 lead to other positive outcomes, such as re-
18 ductions in recidivism in the case of pris-
19 on-based adult education and literacy ac-
20 tivities;

21 “(iii) the extent to which the provision
22 of support services to adults enrolled in
23 adult education and family literacy pro-
24 grams increase the rate of enrollment in,

1 and successful completion of, such pro-
2 grams; and

3 “(iv) the extent to which different
4 types of providers measurably improve the
5 skills of participants in adult education
6 and literacy programs;

7 “(F) supporting efforts aimed at capacity
8 building of programs at the State and local lev-
9 els such as technical assistance in program
10 planning, assessment, evaluation, and moni-
11 toring of activities carried out under this sub-
12 title;

13 “(G) collecting data, such as data regard-
14 ing the improvement of both local and State
15 data systems, through technical assistance and
16 development of model performance data collec-
17 tion systems;

18 “(H) supporting the development of an en-
19 tity that would produce and distribute tech-
20 nology-based programs and materials for adult
21 education and literacy programs using an inter-
22 connection system (as defined in section 397 of
23 the Communications Act of 1934 (47 U.S.C.
24 397)) and expand the effective outreach and

1 use of such programs and materials to adult
2 education eligible providers;

3 “(I) determining how participation in adult
4 education and literacy activities prepares indi-
5 viduals for entry into postsecondary education
6 and employment and, in the case of prison-
7 based services, has an effect on recidivism; and

8 “(J) other activities designed to enhance
9 the quality of adult education and literacy ac-
10 tivities nationwide.”.

11 **SEC. 217. INTEGRATED ENGLISH LITERACY AND CIVICS**
12 **EDUCATION.**

13 Chapter 4 of subtitle A of title II (29 U.S.C. 9251
14 et seq.) is amended by adding at the end the following:

15 **“SEC. 244. INTEGRATED ENGLISH LITERACY AND CIVICS**
16 **EDUCATION.**

17 “(a) IN GENERAL.—From funds made available
18 under section 211(a)(4) for each fiscal year the Secretary
19 shall award grants to States, from allotments under sub-
20 section (b), for integrated English literacy and civics edu-
21 cation.

22 “(b) ALLOTMENT.—

23 “(1) IN GENERAL.—Subject to paragraph (2),
24 from amounts made available under section

1 211(a)(4) for a fiscal year the Secretary shall allo-
2 cate—

3 “(A) 65 percent to the States on the basis
4 of a State’s need for integrated English literacy
5 and civics education as determined by calcu-
6 lating each State’s share of a 10-year average
7 of the Immigration and Naturalization Service
8 data for immigrants admitted for legal perma-
9 nent residence for the 10 most recent years;
10 and

11 “(B) 35 percent to the States on the basis
12 of whether the State experienced growth as
13 measured by the average of the 3 most recent
14 years for which Immigration and Naturalization
15 Service data for immigrants admitted for legal
16 permanent residence are available.

17 “(2) MINIMUM.—No State shall receive an al-
18 lotment under paragraph (1) in an amount that is
19 less than \$60,000.”.

20 **SEC. 218. TRANSITION.**

21 The Secretary shall take such steps as the Secretary
22 determines to be appropriate to provide for the orderly
23 transition to the authority of the Adult Education and
24 Family Literacy Act (as amended by this title) from any
25 authority under provisions of the Adult Education and

1 Family Literacy Act (as such Act was in effect on the day
2 before the date of enactment of the Adult Education and
3 Family Literacy Act Amendments of 2003).

4 **TITLE III—AMENDMENTS TO**
5 **OTHER PROVISIONS OF LAW**

6 **SEC. 301. WAGNER-PEYSER ACT.**

7 (a) CONFORMING AMENDMENT.—Section 2(3) of the
8 Wagner-Peyser Act (29 U.S.C. 49a(3)) is amended by
9 striking “section 134(c)” and inserting “section 121(e)”.

10 (b) COLOCATION.—Section 3 of the Wagner-Peyser
11 Act (29 U.S.C. 49b) is amended by adding at the end the
12 following:

13 “(d) In order to avoid duplication of services and en-
14 hance integration of services, employment services offices
15 in each State shall be colocated with comprehensive one-
16 stop centers established under title I of the Workforce In-
17 vestment Act of 1998.”.

18 (c) COOPERATIVE STATISTICAL PROGRAM.—Section
19 14 of the Wagner-Peyser Act (29 U.S.C. 49l–1) is amend-
20 ed by striking the section heading and all that follows
21 through “There” and inserting the following:

22 **“SEC. 14. COOPERATIVE STATISTICAL PROGRAM.**

23 **“There”.**

1 (d) WORKFORCE AND LABOR MARKET INFORMATION
 2 SYSTEM.—Section 15 of the Wagner-Peyser Act (29
 3 U.S.C. 491–2) is amended—

4 (1) by striking the section heading and insert-
 5 ing the following:

6 **“SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION**
 7 **SYSTEM.”;**

8 (2) by striking “employment statistics system”
 9 each place it appears and inserting “workforce and
 10 labor market information system”;

11 (3) in subsection (a)(1), by striking “of employ-
 12 ment statistics”;

13 (4) in subsection (b)(2)(E)—

14 (A) in clause (i), by adding “and” at the
 15 end;

16 (B) in clause (ii), by striking “; and” and
 17 inserting a period; and

18 (C) by striking clause (iii);

19 (5) by striking subsections (c) and (d) and in-
 20 serting the following:

21 **“(c) NATIONAL ELECTRONIC TOOLS TO PROVIDE**
 22 **SERVICES.—**The Secretary, in consultation with States, is
 23 authorized to assist in the development of national elec-
 24 tronic tools that may be used to improve access to work-
 25 force information for individuals through—

1 “(1) the one-stop delivery systems established
2 under section 121(e); and

3 “(2) such other delivery systems as the Sec-
4 retary determines to be appropriate.

5 “(d) TWO-YEAR PLAN.—The Secretary, working
6 through the Bureau of Labor Statistics, and in coopera-
7 tion with the States and with the assistance of the Em-
8 ployment and Training Administration and other appro-
9 priate Federal agencies, shall prepare a 2-year plan which
10 shall be the mechanism for achieving cooperative manage-
11 ment of the nationwide workforce and labor market infor-
12 mation system described in subsection (a) and the state-
13 wide workforce and labor market information systems that
14 comprise the nationwide system. The plan shall—

15 “(1) describe the steps to be taken in the fol-
16 lowing 2 years to carry out the duties described in
17 subsection (b)(2);

18 “(2) evaluate the performance of the system
19 and recommend needed improvements, with par-
20 ticular attention to the improvements needed at the
21 State and local levels; and

22 “(3) describe the involvement of States in the
23 development of the plan, pursuant to a process es-
24 tablished by the Secretary in cooperation with the
25 States in accordance with subsection (d).

1 “(e) COORDINATION WITH THE STATES.—The Sec-
 2 retary, working through the Bureau of Labor Statistics and
 3 in coordination with the Employment and Training Ad-
 4 ministration, shall consult at least annually with rep-
 5 resentatives of each of the 10 Federal regions of the De-
 6 partment of Labor, elected (pursuant to a process estab-
 7 lished by the Secretary) by and from the State workforce
 8 and labor market information directors affiliated with the
 9 State agencies that perform the duties described in sub-
 10 section (e)(2).”;

11 (6) in subsection (e)(2)—

12 (A) in subparagraph (G), by adding “and”
 13 at the end;

14 (B) by striking subparagraph (H); and

15 (C) by redesignating subparagraph (I) as
 16 subparagraph (H); and

17 (7) in subsection (g), by striking “1999 through
 18 2004” and inserting “2004 through 2009 to enable
 19 the Secretary to carry out the provisions of this sec-
 20 tion through grants or cooperative agreements with
 21 the States”.

1 **TITLE IV—REHABILITATION ACT**

2 **AMENDMENTS**

3 **SEC. 401. SHORT TITLE.**

4 This title may be cited as the “Rehabilitation Act
5 Amendments of 2003”.

6 **SEC. 402. TECHNICAL AMENDMENTS TO TABLE OF CON-** 7 **TENTS.**

8 (a) INCENTIVE GRANTS.—Section 1(b) of the Reha-
9 bilitation Act of 1973 (29 U.S.C. 701 note) is amended
10 by inserting after the item relating to section 112 the fol-
11 lowing:

“Sec. 113. Incentive grants.”.

12 (b) INDEPENDENT LIVING SERVICES FOR OLDER IN-
13 DIVIDUALS WHO ARE BLIND.—Section 1(b) of the Reha-
14 bilitation Act of 1973 (29 U.S.C. 701 note) is amended
15 by striking the items relating to sections 752 and 753 and
16 inserting the following:

“Sec. 752. Training and technical assistance.

“Sec. 753. Program of grants.

“Sec. 754. Authorization of appropriations.”.

17 **SEC. 403. PURPOSE.**

18 Section 2(b) of the Rehabilitation Act of 1973 (29
19 U.S.C. 701(b)) is amended—

20 (1) in paragraph (1)(F), by striking “and”
21 after the semicolon;

22 (2) in paragraph (2), by striking the period at
23 the end and inserting “; and”; and

1 (3) by adding at the end the following:

2 “(3) to provide opportunities for employers and
3 rehabilitation service providers to provide meaningful
4 input at all levels of government to ensure successful
5 employment of individuals with disabilities.”.

6 **SEC. 404. DEFINITIONS.**

7 Section 7 of the Rehabilitation Act of 1973 (29
8 U.S.C. 705) is amended—

9 (1) in paragraph (2)(B)—

10 (A) in the matter preceding clause (i), by
11 inserting “and literacy services” after “sup-
12 ported employment”; and

13 (B) in clause (iii), by inserting “and lit-
14 eracy skills” after “educational achievements”;

15 (2) in paragraph (17)—

16 (A) in subparagraph (C), by striking
17 “and” after the semicolon;

18 (B) in subparagraph (D), by striking the
19 period at the end and inserting “; and”; and

20 (C) by adding at the end the following:

21 “(E) maintaining individuals with disabil-
22 ities in, or transitioning individuals with disabil-
23 ities to, community-based living.”;

24 (3) by redesignating paragraphs (24) through
25 (28), (29) through (34), and (35) through (39), as

1 paragraphs (25) through (29), (31) through (36),
 2 and (38) through (42), respectively;

3 (4) by inserting after paragraph (23) the fol-
 4 lowing:

5 “(24) LITERACY.—The term ‘literacy’ has the
 6 meaning given the term in section 203 of the Adult
 7 Education and Family Literacy Act (20 U.S.C.
 8 9202).”;

9 (5) by inserting after paragraph (29), as redes-
 10 ignated by paragraph (3), the following:

11 “(30) POST-EMPLOYMENT SERVICE.—The term
 12 ‘post-employment’ service means a service identified
 13 in section 103(a) that is—

14 “(A) provided subsequent to the achieve-
 15 ment of an employment outcome; and

16 “(B) necessary for an individual to main-
 17 tain, regain, or advance in employment, con-
 18 sistent with the individual’s strengths, re-
 19 sources, priorities, concerns, abilities, capabili-
 20 ties, interests, and informed choice.”;

21 (6) by inserting after paragraph (36), as redes-
 22 ignated by paragraph (3), the following:

23 “(37) STUDENT WITH A DISABILITY.—

24 “(A) IN GENERAL.—The term ‘student
 25 with a disability’ means an individual with a

1 disability who attends an elementary school or
 2 secondary school and who—

3 “(i) is not younger than 14 years of
 4 age;

5 “(ii) is not older than 21 years of age;

6 “(iii) has been determined to be eligi-
 7 ble under section 102(a) for assistance
 8 under title I; and

9 “(iv)(I) is eligible for, and receiving,
 10 special education and related services
 11 under part B of the Individuals with Dis-
 12 abilities Education Act (20 U.S.C. 1411 et
 13 seq.); or

14 “(II) is an individual with a disability,
 15 for purposes of section 504.

16 “(B) STUDENTS WITH DISABILITIES.—The
 17 term ‘students with disabilities’ means more
 18 than 1 student with a disability.”; and

19 (7) in paragraph (38)(A)(ii), as redesignated by
 20 paragraph (3), by striking “paragraph (36)(C)” and
 21 inserting “paragraph (39)(C)”.

22 **SEC. 405. ADMINISTRATION OF THE ACT.**

23 Section 12(a)(1) of the Rehabilitation Act of 1973
 24 (29 U.S.C. 709(a)(1)) is amended—

25 (1) by inserting “(A)” after “(1)”;

1 (2) by striking the semicolon and inserting “;
2 and”; and

3 (3) by adding at the end the following:

4 “(B) provide technical assistance to the des-
5 ignated State units on developing successful partner-
6 ships with employers;”.

7 **SEC. 406. CARRYOVER.**

8 Section 19 of the Rehabilitation Act of 1973 (29
9 U.S.C. 716) is amended—

10 (1) in subsection (a)(1)—

11 (A) by striking “, section 509 (except as
12 provided in section 509(b))”;

13 (B) by striking “or (C)”; and

14 (C) by striking “752(b)” and inserting
15 “753(b)”; and

16 (2) by adding at the end the following:

17 “(c) PROTECTION AND ADVOCACY OF INDIVIDUAL
18 RIGHTS.—

19 “(1) APPROPRIATED AMOUNTS.—Notwith-
20 standing any other provision of law, any funds ap-
21 propriated for a fiscal year to carry out a grant pro-
22 gram under section 509 (except as provided in sec-
23 tion 509(b)), including any funds reallocated under
24 such grant program, that are not obligated and ex-
25 pended by recipients prior to the beginning of the

1 succeeding fiscal year shall remain available for obli-
 2 gation and expenditure by such recipients during
 3 such succeeding fiscal year.

4 “(2) PROGRAM INCOME.—Notwithstanding any
 5 other provision of law, any amounts of program in-
 6 come received by recipients under a grant program
 7 under section 509 that are not obligated and ex-
 8 pended by recipients prior to the beginning of the
 9 fiscal year succeeding the fiscal year in which such
 10 amounts were received, shall remain available for ob-
 11 ligation and expenditure by such recipients during
 12 any of the 4 succeeding fiscal years.”.

13 **Subtitle A—Vocational** 14 **Rehabilitation Services**

15 **SEC. 411. DECLARATION OF POLICY; AUTHORIZATION OF** 16 **APPROPRIATIONS.**

17 Section 100(b)(1) of the Rehabilitation Act of 1973
 18 (29 U.S.C. 720(b)(1)) is amended by striking “fiscal years
 19 1999 through 2003” and inserting “fiscal years 2004
 20 through 2009”.

21 **SEC. 412. STATE PLANS.**

22 Section 101(a) of the Rehabilitation Act of 1973 (29
 23 U.S.C. 721(a)) is amended—

1 (1) in paragraph (6)(B), by striking “to employ
2 and advance in employment” and inserting “to re-
3 cruit, employ, and advance in employment”;

4 (2) in paragraph (8)(A), by adding at the end
5 the following:

6 “(iii) SERVICES IDENTIFIED IN INDI-
7 VIDUALIZED WORK PLAN.—For purposes
8 of clause (i), for an individual who receives
9 assistance under the Ticket to Work and
10 Self-Sufficiency Program established under
11 section 1148 of the Social Security Act (42
12 U.S.C. 1320b–19), comparable benefits
13 and services available under such program
14 only include those benefits and services
15 identified in the individual’s individualized
16 work plan developed by an employment
17 network pursuant to such section.”;

18 (3) in paragraph (11)—

19 (A) by striking subparagraph (D)(ii) and
20 inserting the following:

21 “(ii) transition planning by personnel
22 of the designated State agency and the
23 State educational agency that will facilitate
24 the development and completion of the in-
25 dividualized education programs under sec-

tion 614(d) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(d)) and, as appropriate, the development and completion of the individualized plan for employment, in order to achieve post-school employment outcomes of students with disabilities;” and

(B) by adding at the end the following:

“(G) COORDINATION WITH TICKET TO WORK AND SELF-SUFFICIENCY PROGRAM.—The State plan shall provide that the designated State unit will coordinate activities with any other State agency that administers a Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act (42 U.S.C. 1320b–19).”; and

(4) in paragraph (20)—

(A) by redesignating subparagraph (B) as subparagraph (D);

(B) by inserting after subparagraph (A) the following:

“(B) INFORMATION ON ASSISTANCE FOR BENEFICIARIES OF ASSISTANCE UNDER TITLE II OR XVI OF THE SOCIAL SECURITY ACT.—The State plan shall include an assurance that the

1 designated State agency will make available to
2 individuals entitled to benefits under title II or
3 XVI of the Social Security Act (42 U.S.C. 401
4 et seq., 1381 et seq.) on the basis of a disability
5 or blindness, information on the availability
6 of—

7 “(i) medical assistance under the
8 State medicaid program under title XIX of
9 the Social Security Act (42 U.S.C. 1396 et
10 seq.);

11 “(ii) benefits under the medicare pro-
12 gram under title XVIII of the Social Secu-
13 rity Act (42 U.S.C. 1395 et seq.);

14 “(iii) assistance through benefits plan-
15 ning and assistance programs under sec-
16 tion 1149 of the Social Security Act (42
17 U.S.C. 1320b–20) and protection and ad-
18 vocacy programs under section 1150 of the
19 Social Security Act (42 U.S.C. 1320b–21);
20 and

21 “(iv) medical assistance under other
22 federally-funded programs.

23 “(C) INFORMATION FOR INDIVIDUALS
24 UNDER THE TICKET TO WORK PROGRAM.—The
25 State plan shall include an assurance that the

1 designated State agency will make available to
2 individuals entitled to benefits under title II or
3 XVI of the Social Security Act (42 U.S.C. 401
4 et seq., 1381 et seq.) on the basis of a disability
5 or blindness and eligible for assistance under
6 the Ticket to Work and Self-Sufficiency Pro-
7 gram established under section 1148 of the So-
8 cial Security Act (42 U.S.C. 1320b–19), gen-
9 eral information regarding the Ticket to Work
10 and Self-Sufficiency Program and specific infor-
11 mation on how to contact the program manager
12 of the Ticket to Work and Self-Sufficiency Pro-
13 gram to obtain information on approved em-
14 ployment networks.”; and

15 (C) in subparagraph (D)(ii), as redesign-
16 nated by subparagraph (A)—

17 (i) in subclause (II), by inserting “, to
18 the maximum extent possible,” after
19 “point of contact”; and

20 (ii) in subclause (III), by striking “or
21 regain” and inserting “regain, or advance
22 in”.

1 **SEC. 413. ELIGIBILITY AND INDIVIDUALIZED PLAN FOR EM-**
2 **PLOYMENT.**

3 Section 102 of the Rehabilitation Act of 1973 (29
4 U.S.C. 722) is amended—

5 (1) in subsection (b)—

6 (A) in paragraph (1)—

7 (i) in subparagraph (A), by striking
8 the semicolon at the end and inserting “,
9 including a listing of all the community re-
10 sources (including resources from organiza-
11 tions of individuals with disabilities), to the
12 maximum extent possible, to assist in the
13 development of such individual’s individual-
14 ized plan for employment to enable the in-
15 dividual to make informed and effective
16 choices in developing the individualized
17 plan for employment;” and

18 (ii) in subparagraph (D)—

19 (I) in clause (i), by striking
20 “and” after the semicolon;

21 (II) in clause (ii), by striking the
22 period at the end and inserting a
23 semicolon; and

24 (III) by adding at the end the
25 following:

1 “(iii) for individuals entitled to benefits
2 under title II or XVI of the Social Security Act
3 (42 U.S.C. 401 et seq., 1381 et seq.) on the
4 basis of a disability or blindness, information on
5 the availability of—

6 “(I) medical assistance under the
7 State medicaid program under title XIX of
8 the Social Security Act (42 U.S.C. 1396 et
9 seq.);

10 “(II) benefits under the medicare pro-
11 gram under title XVIII of the Social Secu-
12 rity Act (42 U.S.C. 1395 et seq.);

13 “(III) assistance through benefits
14 planning and assistance programs under
15 section 1149 of the Social Security Act (42
16 U.S.C. 1320b–20) and protection and ad-
17 vocacy programs under section 1150 of the
18 Social Security Act (42 U.S.C. 1320b–21);
19 and

20 “(IV) medical assistance under other
21 federally-funded programs; and

22 “(iv) for individuals entitled to benefits
23 under title II or XVI of the Social Security Act
24 (42 U.S.C. 401 et seq., 1381 et seq.) on the
25 basis of a disability or blindness and eligible for

1 assistance under the Ticket to Work and Self-
2 Sufficiency Program established under section
3 1148 of the Social Security Act (42 U.S.C.
4 1320b–19), information—

5 “(I) on the options under the Ticket
6 to Work and Self-Sufficiency Program; and

7 “(II) on how to contact the program
8 manager of the Ticket to Work and Self-
9 Sufficiency Program who has contact in-
10 formation on approved employment net-
11 works, the benefits planning and assistance
12 programs in the area, and the protection
13 and advocacy programs in the area.”;

14 (B) in paragraph (2)(E)—

15 (i) in clause (i)(II), by striking “and”
16 after the semicolon;

17 (ii) in clause (ii), by striking the pe-
18 riod at the end and inserting “; and”; and

19 (iii) by adding at the end the fol-
20 lowing:

21 “(iii) amended, as necessary, to in-
22 clude the post-employment services and
23 service providers that are necessary for the
24 individual to maintain, regain, or advance
25 in employment, consistent with the individ-

ual’s strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice.”; and

(C) in paragraph (3)—

(i) in subparagraph (B)(i)(I), by striking “and personal assistance services” and inserting “mentoring services, and personal assistance services”;

(ii) in subparagraph (F)(ii), by striking “and” after the semicolon;

(iii) in subparagraph (G), by striking the period at the end and inserting a semicolon; and

(iv) by adding at the end the following:

“(H) for a student with a disability, the description—

“(i) in paragraph (3)(A), may be a description of the student’s projected post-school employment outcome; and

“(ii) in paragraph (3)(B), shall include the specific transition services (including, as appropriate, work experience and mentoring activities) needed to achieve

1 the student’s employment outcome or pro-
2 jected employment outcome; and

3 “(I) for an individual who is receiving as-
4 sistance under the Ticket to Work and Self-Suf-
5 ficiency Program established under section
6 1148 of the Social Security Act (42 U.S.C.
7 1320b–19), a list of services such individual re-
8 ceives from an employment network other than
9 the designated State unit.”; and

10 (2) in subsection (c)(7), by inserting “that take
11 into consideration the informed choice of the indi-
12 vidual,” after “plan development,”.

13 **SEC. 414. VOCATIONAL REHABILITATION SERVICES.**

14 Section 103(a) of the Rehabilitation Act of 1973 (29
15 U.S.C. 723(a)) is amended—

16 (1) in paragraph (5), by inserting “literacy
17 services,” after “vocational adjustment services,”;

18 (2) in paragraph (17), by striking “and” after
19 the semicolon;

20 (3) in paragraph (18), by striking the period at
21 the end and inserting “; and”; and

22 (4) by adding at the end the following:

23 “(19) mentoring services.”.

1 **SEC. 415. STATE REHABILITATION COUNCIL.**

2 Section 105(b)(1)(A)(ix) of the Rehabilitation Act of
3 1973 (29 U.S.C. 725(b)(1)(A)(ix)) is amended to read as
4 follows:

5 “(ix) in a State in which 1 or more
6 projects provide services under section 121,
7 not less than 1 representative of the direc-
8 tors of the projects;”.

9 **SEC. 416. EVALUATION STANDARDS AND PERFORMANCE**
10 **INDICATORS.**

11 Section 106(b)(2)(B)(i) of the Rehabilitation Act of
12 1973 (29 U.S.C. 726(b)(2)(B)(i)) is amended by striking
13 “, if necessary” and all that follows through the semicolon
14 and inserting “if the State has not improved its perform-
15 ance to acceptable levels, as determined by the Commis-
16 sioner, direct the State to make further revisions to the
17 plan to improve performance, which may include allocating
18 a higher proportion of the State’s resources for services
19 to individuals with disabilities if the State’s spending on
20 such services is low in comparison to spending on such
21 services in comparable agencies in other States;”.

22 **SEC. 417. STATE ALLOTMENTS.**

23 Section 110 of the Rehabilitation Act of 1973 (29
24 U.S.C. 730) is amended—

25 (1) by striking subsection (b) and inserting the
26 following:

1 “(b) REALLOTMENT.—

2 “(1) DETERMINATION.—Not later than 45 days
3 prior to the end of the fiscal year, the Commissioner
4 shall determine, after reasonable opportunity for the
5 submission to the Commissioner of comments by the
6 State agency administering or supervising the pro-
7 gram established under this title, that any payment
8 of an allotment to a State under section 111(a) for
9 any fiscal year will not be utilized by such State in
10 carrying out the purposes of this title.

11 “(2) FORMULA.—

12 “(A) IN GENERAL.—As soon as practicable
13 but not later than the end of the fiscal year, the
14 Commissioner shall reallocate the amount available
15 under paragraph (1) to other States, consistent
16 with subparagraphs (B) and (C), for carrying
17 out the purposes of this title to the extent the
18 Commissioner determines such other State will
19 be able to use such additional amount during
20 that fiscal year or the subsequent fiscal year for
21 carrying out such purposes.

22 “(B) FORMULA.—

23 “(i) ELIGIBLE STATES.—The Com-
24 missioner shall reallocate the amount available
25 under paragraph (1) for a fiscal year to

1 each State whose allotment under sub-
2 section (a) for such fiscal year is less than
3 such State's allotment under subsection (a)
4 for the immediately preceding fiscal year
5 increased by the percentage change in the
6 funds available for subsection (a) from the
7 immediately preceding fiscal year.

8 “(ii) AMOUNT.—

9 “(I) IN GENERAL.—A State that
10 is eligible to receive a reallocation
11 under clause (i) shall receive an
12 amount for a fiscal year from the
13 amount available for reallocation
14 under paragraph (1) that is equal to
15 the difference between—

16 “(aa) the amount such State
17 received for such fiscal year; and

18 “(bb) the amount such State
19 was allotted under subsection (a)
20 for the immediately preceding fis-
21 cal year adjusted by the percent-
22 age change in the funds available
23 for subsection (a) from the im-
24 mediately preceding fiscal year.

1 “(II) INSUFFICIENT FUNDS.—If
2 the amount available for reallocation
3 under paragraph (1) is insufficient to
4 provide each State eligible to receive a
5 reallocation with the amount described
6 in subclause (I), the amount reallocated
7 to each eligible State shall be deter-
8 mined by the Commissioner.

9 “(C) REMAINING FUNDS.—If there are
10 funds remaining after each State eligible to re-
11 ceive a reallocation under subparagraph (B)(i)
12 receives the amount described in subparagraph
13 (B)(ii), the Commissioner shall reallocate the re-
14 maining funds among the States requesting a
15 reallocation.

16 “(3) NON-FEDERAL SHARE.—The Commis-
17 sioner shall reallocate an amount to a State under this
18 subsection only if the State will be able to make suf-
19 ficient payments from non-Federal sources to pay
20 for the non-Federal share of the cost of vocational
21 rehabilitation services under the State plan for the
22 fiscal year for which the amount was appropriated.

23 “(4) INCREASE IN ALLOTMENT.—For the pur-
24 poses of this part, any amount made available to a
25 State for any fiscal year pursuant to this subsection

1 shall be regarded as an increase of such State's al-
 2 lotment (as determined under the preceding provi-
 3 sions of this section) for such year.”; and

4 (2) by striking subsection (c)(2) and inserting
 5 the following:

6 “(2)(A) In this paragraph:

7 “(i) The term ‘appropriated amount’ means the
 8 amount appropriated under section 100(b)(1) for al-
 9 lotment under this section.

10 “(ii) The term ‘covered year’ means a fiscal
 11 year—

12 “(I) that begins after September 30, 2003;

13 and

14 “(II) for which the appropriated amount
 15 exceeds the total of—

16 “(aa) the appropriated amount for the
 17 preceding fiscal year; and

18 “(bb) 0.1 percent of the appropriated
 19 amount for the preceding fiscal year.

20 “(B) For each covered year, the sum referred to in
 21 paragraph (1) shall be, as determined by the Secretary,
 22 the lesser of—

23 “(i) the total of the sum reserved under this
 24 subsection for the preceding fiscal year and 0.1 per-

1 cent of the appropriated amount for the covered
 2 year; and

3 “(ii) 1.5 percent of the appropriated amount for
 4 the covered year.”.

5 **SEC. 418. CLIENT ASSISTANCE PROGRAM.**

6 Section 112 of the Rehabilitation Act of 1973 (29
 7 U.S.C. 732) is amended—

8 (1) in subsection (a), by striking “States” and
 9 inserting “agencies designated under subsection
 10 (c)”;

11 (2) in subsection (e)—

12 (A) in paragraph (1)—

13 (i) in subparagraph (A), by striking
 14 “The Secretary” and all that follows
 15 through the period and inserting the fol-
 16 lowing: “After reserving funds under sub-
 17 paragraphs (E) and (F), the Secretary
 18 shall allot the remainder of the sums ap-
 19 propriated for each fiscal year under this
 20 section among the agencies designated
 21 under subsection (c) within the States on
 22 the basis of relative population of each
 23 State, except that no such agency shall re-
 24 ceive less than \$50,000.”;

1 (ii) in subparagraph (B), by inserting
 2 “the designated agencies located in” after
 3 “each to”;

4 (iii) in subparagraph (D)(i)—

5 (I) by inserting “the designated
 6 agencies located in” after “\$100,000
 7 for”; and

8 (II) by inserting “the designated
 9 agencies located in” after “\$45,000
 10 for”; and

11 (iv) by adding at the end the fol-
 12 lowing:

13 “(E)(i) Beginning on October 1, 2004, for any fiscal
 14 year for which the amount appropriated to carry out this
 15 section equals or exceeds \$13,000,000, the Secretary shall
 16 reserve funds appropriated under this section to make
 17 grants to the protection and advocacy system serving the
 18 American Indian Consortium to provide client assistance
 19 services in accordance with this section. The amount of
 20 such grants shall be the same amount as provided to terri-
 21 tories under subparagraph (B), as increased under clauses
 22 (i) and (ii) of subparagraph (D).

23 “(ii) In this subparagraph:

24 “(I) The term ‘American Indian Consortium’
 25 has the meaning given the term in section 102 of the

1 Developmental Disabilities Assistance and Bill of
2 Rights Act of 2000 (42 U.S.C. 15002).

3 “(II) The term ‘protection and advocacy sys-
4 tem’ means a protection and advocacy system estab-
5 lished under subtitle C of title I of the Develop-
6 mental Disabilities Assistance and Bill of Rights Act
7 of 2000 (42 U.S.C. 15041 et seq.).

8 “(F) For any fiscal year for which the amount appro-
9 priated to carry out this section equals or exceeds
10 \$14,000,000, the Secretary shall reserve not less than 1.8
11 percent and not more than 2.2 percent of such amount
12 to provide training and technical assistance to the pro-
13 grams established under this section. Such training and
14 technical assistance shall be coordinated with funds avail-
15 able under section 509(c)(1)(A).”;

16 (B) in paragraph (2)—

17 (i) by striking “State” each place
18 such term appears and inserting “des-
19 ignated agency”; and

20 (ii) by striking “States” each place
21 such term appears and inserting “des-
22 ignated agencies”; and

23 (C) in paragraph (3), by striking “Except
24 as specifically prohibited by or as otherwise pro-

1 vided in State law, the Secretary shall pay” and
 2 inserting “The Secretary shall pay directly”;

3 (3) in subsection (f), by striking “State” and
 4 inserting “agency designated under subsection (c)”;
 5 and

6 (4) in subsection (h), by striking “fiscal years
 7 1999 through 2003” and inserting “fiscal years
 8 2004 through 2009”.

9 **SEC. 419. INCENTIVE GRANTS.**

10 Part B of title I of the Rehabilitation Act of 1973
 11 (29 U.S.C. 730 et seq.) is amended by adding at the end
 12 the following:

13 **“SEC. 113. INCENTIVE GRANTS.**

14 “(a) **AUTHORITY.**—The Commissioner is authorized
 15 to make incentive grants to States that, based on the cri-
 16 teria established under subsection (b)(1), demonstrate—

17 “(1) a high level of performance; or

18 “(2) a significantly improved level of perform-
 19 ance as compared to the previous reporting period or
 20 periods.

21 “(b) **CRITERIA.**—

22 “(1) **ESTABLISHMENT.**—Not later than 180
 23 days after the date of enactment of this section, the
 24 Commissioner shall establish, and publish in the

1 Federal Register, criteria for making grant awards
2 under subsection (a).

3 “(2) DEVELOPMENT AND EVALUATION STAND-
4 ARDS.—The criteria under paragraph (1) shall—

5 “(A) be developed with input from State
6 vocational rehabilitation agencies and other vo-
7 cational rehabilitation stakeholders, including
8 vocational rehabilitation consumers and con-
9 sumer organizations; and

10 “(B) be based upon the evaluation stand-
11 ards and performance indicators established
12 under section 106 and other performance re-
13 lated measures that the Commissioner deter-
14 mines to be appropriate.

15 “(c) USE OF FUNDS.—A State that receives a grant
16 under subsection (a) shall use the grant funds for any ap-
17 proved activities in the State’s State plan submitted under
18 section 101.

19 “(d) NO NON-FEDERAL SHARE REQUIREMENT.—
20 The provisions of sections 101(a)(3) and 111(a)(2) shall
21 not apply to this section.

22 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
23 are authorized to be appropriated to carry out this section
24 such sums as may be necessary for each of fiscal years
25 2004 through 2009.”.

1 **SEC. 420. VOCATIONAL REHABILITATION SERVICES**
2 **GRANTS.**

3 Section 121 of the Rehabilitation Act of 1973 (29
4 U.S.C. 741) is amended—

5 (1) in subsection (a), in the first sentence, by
6 inserting “, consistent with such individuals’
7 strengths, resources, priorities, concerns, abilities,
8 capabilities, interests, and informed choice, so that
9 such individuals may prepare for, and engage in,
10 gainful employment” before the period at the end;
11 and

12 (2) in subsection (b)—

13 (A) in paragraph (1)—

14 (i) in subparagraph (B), by striking
15 “and” after the semicolon;

16 (ii) in subparagraph (C), by striking
17 the period at the end and inserting “;
18 and”; and

19 (iii) by adding at the end the fol-
20 lowing:

21 “(D) contains assurances that—

22 “(i) all decisions affecting eligibility for vo-
23 cational rehabilitation services, the nature and
24 scope of available services, and the provision of
25 such services, will be made by a representative

1 of the tribal vocational rehabilitation program;
 2 and

3 “(ii) such decisions will not be delegated to
 4 another agency or individual.”;

5 (B) in paragraph (3), by striking the first
 6 sentence and inserting the following: “An appli-
 7 cation approved under this part that complies
 8 with the program requirements set forth in the
 9 regulations promulgated to carry out this part
 10 shall be effective for 5 years and shall be re-
 11 newed for additional 5-year periods if the Com-
 12 missioner determines that the grantee dem-
 13 onstrated acceptable past performance and the
 14 grantee submits a plan, including a proposed
 15 budget, to the Commissioner that the Commis-
 16 sioner approves that identifies future perform-
 17 ance criteria, goals, and objectives.”; and

18 (C) by striking paragraph (4) and insert-
 19 ing the following:

20 “(4) In allocating funds under this part, the Sec-
 21 retary shall give priority to paying the continuation costs
 22 of existing projects and may provide for increases in fund-
 23 ing for such projects as determined necessary.”.

24 **SEC. 421. GAO STUDIES.**

25 (a) STUDY ON TITLE I AND TICKET TO WORK.—

1 (1) IN GENERAL.—The Comptroller General of
2 the United States shall conduct a study on the inter-
3 action of title I of the Rehabilitation Act of 1973
4 (29 U.S.C. 720 et seq.) with the Ticket to Work and
5 Self-Sufficiency Program established under section
6 1148 of the Social Security Act (42 U.S.C. 1320b–
7 19), including the impact of the interaction on bene-
8 ficiaries, community rehabilitation programs, and
9 State vocational rehabilitation agencies.

10 (2) CONDUCT OF STUDY.—In conducting the
11 study under paragraph (1), the Comptroller General
12 of the United States shall consult with all partici-
13 pants in the Ticket to Work and Self-Sufficiency
14 Program, including the Social Security Administra-
15 tion, the Rehabilitation Services Administration,
16 ticketholders, State agencies, community rehabilita-
17 tion programs (including employment networks and
18 nonemployment networks), protection and advocacy
19 agencies, MAXIMUS, and organizations rep-
20 resenting the interests of ticketholders.

21 (3) REPORT TO CONGRESS.—Not later than 18
22 months after the date of enactment of this title, the
23 Comptroller General of the United States shall sub-
24 mit the study conducted pursuant to this subsection
25 to the appropriate committees of Congress.

1 (b) STUDY ON THE ALLOTMENT FORMULA.—

2 (1) IN GENERAL.—The Comptroller General of
3 the United States shall conduct a study on the rela-
4 tionship between the State allotment formula under
5 section 110 of the Rehabilitation Act of 1973 (29
6 U.S.C. 730) and the ability of States to provide vo-
7 cational rehabilitation services in accordance with
8 the State’s State plan under section 101 of such
9 Act.

10 (2) CONDUCT OF STUDY.—In conducting the
11 study under paragraph (1), the Comptroller General
12 of the United States shall consult with appropriate
13 entities.

14 (3) REPORT TO CONGRESS.—Not later than 12
15 months after the date of enactment of this title, the
16 Comptroller General of the United States shall sub-
17 mit the study conducted pursuant to this subsection
18 to the appropriate committees of Congress.

19 **Subtitle B—Research and Training**

20 **SEC. 431. AUTHORIZATION OF APPROPRIATIONS.**

21 Section 201(a) of the Rehabilitation Act of 1973 (29
22 U.S.C. 761(a)) is amended—

23 (1) in paragraph (1), by striking “fiscal years
24 1999 through 2003” and inserting “fiscal years
25 2004 through 2009”; and

1 (2) in paragraph (2), by striking “fiscal years
2 1999 through 2003” and inserting “fiscal years
3 2004 through 2009”.

4 **SEC. 432. NATIONAL INSTITUTE ON DISABILITY AND REHA-**
5 **BILITATION RESEARCH.**

6 Section 202(f)(1) of the Rehabilitation Act of 1973
7 (29 U.S.C. 762(f)(1)) is amended by striking “Federal
8 employees” and inserting “Department of Education em-
9 ployees”.

10 **SEC. 433. RESEARCH AND OTHER COVERED ACTIVITIES.**

11 Section 204(c)(2) of the Rehabilitation Act of 1973
12 (29 U.S.C. 764(c)(2)) is amended by striking “\$500,000”
13 and inserting “\$750,000”.

14 **SEC. 434. REHABILITATION RESEARCH ADVISORY COUNCIL.**

15 Section 205(c) of the Rehabilitation Act of 1973 (29
16 U.S.C. 765(c)) is amended by adding at the end the fol-
17 lowing: “The Council also shall include a representative
18 from the business community who has experience with the
19 vocational rehabilitation system and hiring individuals
20 with disabilities.”.

1 **Subtitle C—Professional Develop-**
2 **ment and Special Projects and**
3 **Demonstrations**

4 **SEC. 441. TRAINING.**

5 Section 302 of the Rehabilitation Act of 1973 (29
6 U.S.C. 772) is amended—

7 (1) in subsection (b)(1)(B)(i), by striking “or
8 prosthetics and orthotics” and inserting “prosthetics
9 and orthotics, rehabilitation for the blind, or orienta-
10 tion and mobility instruction”; and

11 (2) in subsection (i), by striking “fiscal years
12 1999 through 2003” and inserting “fiscal years
13 2004 through 2009”.

14 **SEC. 442. DEMONSTRATION AND TRAINING PROGRAMS.**

15 Section 303 of the Rehabilitation Act of 1973 (29
16 U.S.C. 773) is amended—

17 (1) by redesignating subsection (e) as sub-
18 section (f);

19 (2) in subsection (f), as redesignated by para-
20 graph (1), by striking “fiscal years 1999 through
21 2003” and inserting “fiscal years 2004 through
22 2009”; and

23 (3) by inserting after subsection (d) the fol-
24 lowing:

25 “(e) ACCESS TO TELEWORK.—

1 “(1) DEFINITION OF TELEWORK.—In this sub-
2 section, the term ‘telework’ means to work from
3 home and other telework sites with the assistance of
4 a computer and with reasonable accommodations, in-
5 cluding the necessary equipment to facilitate suc-
6 cessful work from home and other telework sites.

7 “(2) AUTHORIZATION OF PROGRAM.—The Com-
8 missioner is authorized to make grants to States and
9 governing bodies of American Indian tribes located
10 on Federal and State reservations (and consortia of
11 such governing bodies) to pay for the Federal share
12 of the cost of establishing or expanding a telework
13 program.

14 “(3) APPLICATION.—A State that desires to re-
15 ceive a grant under this subsection shall submit an
16 application to the Commissioner at such time, in
17 such manner, and containing such information as
18 the Commissioner may require.

19 “(4) USE OF FUNDS.—A State that receives a
20 grant under this subsection shall establish or expand
21 a telework program that shall provide loans or other
22 alternative financing mechanisms to individuals with
23 disabilities to enable such individuals to purchase
24 computers or other equipment, including adaptive
25 equipment, that facilitates work from home and

1 other telework sites so that such individuals are able
2 to telework.

3 “(5) ANNUAL REPORT.—

4 “(A) IN GENERAL.—A State that receives
5 a grant under this subsection shall submit an
6 annual report to the Commissioner.

7 “(B) CONTENTS.—The report under sub-
8 paragraph (A) shall include the following:

9 “(i) The characteristics of each indi-
10 vidual with a disability that receives a loan
11 or other alternative financing mechanism
12 under the program, including information
13 about the individual such as the following:

14 “(I) Age.

15 “(II) Ethnicity.

16 “(III) Type of disability.

17 “(IV) Employment status at the
18 time of application for a loan or other
19 alternative financing mechanism
20 under this subsection.

21 “(V) Whether the individual at-
22 tempted to secure financial support
23 from other sources to enable the indi-
24 vidual to telework and, if so, a de-
25 scription of such sources.

1 “(VI) Whether the individual is
 2 working and, if so, whether the indi-
 3 vidual teleworks, the occupation in
 4 which the individual is working, the
 5 hourly salary the individual receives,
 6 and the hourly salary of the individual
 7 prior to receiving a loan or other al-
 8 ternative financing mechanism under
 9 the program.

10 “(VII) Whether the individual
 11 has repaid the loan or other alter-
 12 native financing mechanism received
 13 under the program, is in repayment
 14 status, is delinquent on repayments,
 15 or has defaulted on the loan or other
 16 alternative financing mechanism.

17 “(ii) Any other information that the
 18 Commissioner may require.

19 “(6) FEDERAL SHARE.—The Federal share of
 20 the cost of establishing a telework program shall be
 21 10 percent of the cost.”.

22 **SEC. 443. MIGRANT AND SEASONAL FARMWORKERS.**

23 Section 304(b) of the Rehabilitation Act of 1973 (29
 24 U.S.C. 774(b)) is amended by striking “fiscal years 1999

1 through 2003” and inserting “fiscal years 2004 through
2 2009”.

3 **SEC. 444. RECREATIONAL PROGRAMS.**

4 Section 305 of the Rehabilitation Act of 1973 (29
5 U.S.C. 775) is amended—

6 (1) in subsection (a)(1)(B), by striking “con-
7 struction of facilities for aquatic rehabilitation ther-
8 apy,”; and

9 (2) in subsection (b), by striking “fiscal years
10 1999 through 2003” and inserting “fiscal years
11 2004 through 2009”.

12 **Subtitle D—National Council on**
13 **Disability**

14 **SEC. 451. AUTHORIZATION OF APPROPRIATIONS.**

15 Section 405 of the Rehabilitation Act of 1973 (29
16 U.S.C. 785) is amended by striking “fiscal years 1999
17 through 2003” and inserting “fiscal years 2004 through
18 2009”.

19 **Subtitle E—Rights and Advocacy**

20 **SEC. 461. ARCHITECTURAL AND TRANSPORTATION BAR-**
21 **RIERS COMPLIANCE BOARD.**

22 Section 502(j) of the Rehabilitation Act of 1973 (29
23 U.S.C. 792(j)) is amended by striking “fiscal years 1999
24 through 2003” and inserting “fiscal years 2004 through
25 2009”.

1 **SEC. 462. PROTECTION AND ADVOCACY OF INDIVIDUAL**
2 **RIGHTS.**

3 Section 509 of the Rehabilitation Act of 1973 (29
4 U.S.C. 794e) is amended—

5 (1) in subsection (g)(2), by striking “was paid”
6 and inserting “was paid, except that program in-
7 come generated from the amount paid to an eligible
8 system shall remain available to such system for ob-
9 ligation during any succeeding fiscal year”; and

10 (2) in subsection (l), by striking “fiscal years
11 1999 through 2003” and inserting “fiscal years
12 2004 through 2009”.

13 **Subtitle F—Employment Opportu-**
14 **nities for Individuals With Dis-**
15 **abilities**

16 **SEC. 471. PROJECTS WITH INDUSTRY AUTHORIZATION OF**
17 **APPROPRIATIONS.**

18 Section 612 of the Rehabilitation Act of 1973 (29
19 U.S.C. 795a) is amended by striking “fiscal years 1999
20 through 2003” and inserting “fiscal years 2004 through
21 2009”.

22 **SEC. 472. SERVICES FOR INDIVIDUALS WITH SIGNIFICANT**
23 **DISABILITIES AUTHORIZATION OF APPRO-**
24 **PRIATIONS.**

25 Section 628 of the Rehabilitation Act of 1973 (29
26 U.S.C. 795n) is amended by striking “fiscal years 1999

1 through 2003” and inserting “fiscal years 2004 through
2 2009”.

3 **Subtitle G—Independent Living**
4 **Services and Centers for Inde-**
5 **pendent Living**

6 **SEC. 481. STATE PLAN.**

7 Section 704 of the Rehabilitation Act of 1973 (42
8 U.S.C. 795c) is amended by adding at the end the fol-
9 lowing:

10 “(o) PROMOTING FULL ACCESS TO COMMUNITY
11 LIFE.—The plan shall describe how the State will provide
12 independent living services that promote full access to
13 community life for individuals with significant disabilities.
14 The services shall include, as appropriate, facilitating
15 transitions from nursing homes and other institutions, in-
16 cluding institutions serving individuals with cognitive dis-
17 abilities, to community-based residences, assisting individ-
18 uals with significant disabilities at risk of entering institu-
19 tions to remain in the community, and promoting home
20 ownership among individuals with significant disabil-
21 ities.”.

22 **SEC. 482. STATEWIDE INDEPENDENT LIVING COUNCIL.**

23 Section 705(b)(5) of the Rehabilitation Act of 1973
24 (29 U.S.C. 796d(b)(5)) is amended to read as follows:

1 “(5) CHAIRPERSON.—The Council shall select a
2 chairperson from among the voting membership of
3 the Council.”.

4 **SEC. 483. INDEPENDENT LIVING SERVICES AUTHORIZA-**
5 **TION OF APPROPRIATIONS.**

6 Section 714 of the Rehabilitation Act of 1973 (29
7 U.S.C. 796e–3) is amended by striking “fiscal years 1999
8 through 2003” and inserting “fiscal years 2004 through
9 2009”.

10 **SEC. 484. PROGRAM AUTHORIZATION.**

11 Section 721 of the Rehabilitation Act of 1973 (42
12 U.S.C. 796f) is amended—

13 (1) by striking subsection (c) and inserting the
14 following:

15 “(c) ALLOTMENTS TO STATES.—

16 “(1) DEFINITIONS.—In this subsection:

17 “(A) ADDITIONAL APPROPRIATION.—The
18 term ‘additional appropriation’ means the
19 amount (if any) by which the appropriation for
20 a fiscal year exceeds the total of—

21 “(i) the amount reserved under sub-
22 section (b) for that fiscal year; and

23 “(ii) the appropriation for fiscal year
24 2003.

1 “(B) APPROPRIATION.—The term ‘appro-
2 piation’ means the amount appropriated to
3 carry out this part.

4 “(C) BASE APPROPRIATION.—The term
5 ‘base appropriation’ means the portion of the
6 appropriation for a fiscal year that is equal to
7 the lesser of—

8 “(i) an amount equal to 100 percent
9 of the appropriation, minus the amount re-
10 served under subsection (b) for that fiscal
11 year; or

12 “(ii) the appropriation for fiscal year
13 2003.

14 “(2) ALLOTMENTS TO STATES FROM BASE AP-
15 PROPRIATION.—After the reservation required by
16 subsection (b) has been made, the Commissioner
17 shall allot to each State whose State plan has been
18 approved under section 706 an amount that bears
19 the same ratio to the base appropriation as the
20 amount the State received under this subsection for
21 fiscal year 2003 bears to the total amount that all
22 States received under this subsection for fiscal year
23 2003.

24 “(3) ALLOTMENTS TO STATES OF ADDITIONAL
25 APPROPRIATION.—From any additional appropria-

1 tion for each fiscal year, the Commissioner shall
 2 allot to each State whose State plan has been ap-
 3 proved under section 706 an amount equal to the
 4 sum of—

5 “(A) an amount that bears the same ratio
 6 to 50 percent of the additional appropriation as
 7 the population of the State bears to the popu-
 8 lation of all States; and

9 “(B) $\frac{1}{56}$ of 50 percent of the additional
 10 appropriation.”; and

11 (2) by adding at the end the following:

12 “(e) CARRYOVER AUTHORITY.—Any amount paid to
 13 an agency to operate a center for independent living under
 14 this chapter for a fiscal year and any amount of program
 15 income that remains unobligated at the end of such year
 16 shall remain available to such agency for obligation during
 17 the next 2 fiscal years for the purposes for which such
 18 amount was paid.”.

19 **SEC. 485. GRANTS TO CENTERS FOR INDEPENDENT LIVING**
 20 **IN STATES IN WHICH FEDERAL FUNDING EX-**
 21 **CEEDS STATE FUNDING.**

22 Section 722(c) of the Rehabilitation Act of 1973 (29
 23 U.S.C. 796f–1(c)) is amended by striking “by September
 24 30, 1997” and inserting “during the preceding year”.

1 **SEC. 486. GRANTS TO CENTERS FOR INDEPENDENT LIVING**
 2 **IN STATES IN WHICH STATE FUNDING**
 3 **EQUALS OR EXCEEDS FEDERAL FUNDING.**

4 Section 723(c) of the Rehabilitation Act of 1973 (29
 5 U.S.C. 796f–2(c)) is amended by striking “by September
 6 30, 1997” and inserting “during the preceding year”.

7 **SEC. 487. STANDARDS AND ASSURANCES FOR CENTERS**
 8 **FOR INDEPENDENT LIVING.**

9 Section 725(b) of the Rehabilitation Act of 1973 (29
 10 U.S.C. 796f–4(b)) is amended—

11 (1) in paragraph (4), by striking “disabilities.”
 12 and inserting “disabilities, including maintaining in-
 13 dividuals with disabilities in, or transitioning individ-
 14 uals with disabilities to, community-based living.”;
 15 and

16 (2) by adding at the end the following:

17 “(8) **PROMOTING FULL ACCESS TO COMMUNITY**
 18 **LIFE.**—The center shall provide independent living
 19 services that promote full access to community life
 20 for individuals with significant disabilities. The serv-
 21 ices shall include, as appropriate, facilitating transi-
 22 tions from nursing homes and other institutions, in-
 23 cluding institutions serving individuals with cognitive
 24 disabilities, to community-based residences, assisting
 25 individuals with significant disabilities at risk of en-
 26 tering institutions to remain in the community, and

1 promoting home ownership among individuals with
2 significant disabilities.”.

3 **SEC. 488. CENTERS FOR INDEPENDENT LIVING AUTHORIZA-**
4 **TION OF APPROPRIATIONS.**

5 Section 727 of the Rehabilitation Act of 1973 (29
6 U.S.C. 796f–6) is amended by striking “fiscal years 1999
7 through 2003” and inserting “fiscal years 2004 through
8 2009”.

9 **SEC. 489. INDEPENDENT LIVING SERVICES FOR OLDER IN-**
10 **DIVIDUALS WHO ARE BLIND.**

11 Chapter 2 of title VII of the Rehabilitation Act of
12 1973 (29 U.S.C. 796j et seq.) is amended—

13 (1) by redesignating sections 752 and 753 as
14 sections 753 and 754, respectively; and

15 (2) by inserting after section 751 the following:

16 **“SEC. 752. TRAINING AND TECHNICAL ASSISTANCE.**

17 “(a) GRANTS; CONTRACTS; OTHER ARRANGE-
18 MENTS.—For any fiscal year for which the funds appro-
19 priated to carry out this chapter exceed the funds appro-
20 priated to carry out this chapter for fiscal year 2003, the
21 Commissioner shall first reserve from such excess, to pro-
22 vide training and technical assistance to eligible entities
23 for such fiscal year, not less than 1.8 percent, and not
24 more than 2 percent, of the funds appropriated to carry
25 out this chapter for the fiscal year involved.

1 “(b) ALLOCATION.—From the funds reserved under
2 subsection (a), the Commissioner shall make grants to,
3 and enter into contracts and other arrangements with, en-
4 tities that demonstrate expertise in the provision of serv-
5 ices to older individuals who are blind to provide training
6 and technical assistance with respect to planning, devel-
7 oping, conducting, administering, and evaluating inde-
8 pendent living programs for older individuals who are
9 blind.

10 “(c) FUNDING PRIORITIES.—The Commissioner shall
11 conduct a survey of designated State agencies that receive
12 grants under section 753 regarding training and technical
13 assistance needs in order to determine funding priorities
14 for grants, contracts, and other arrangements under this
15 section.

16 “(d) REVIEW.—To be eligible to receive a grant or
17 enter into a contract or other arrangement under this sec-
18 tion, an eligible entity shall submit an application to the
19 Commissioner at such time, in such manner, containing
20 a proposal to provide such training and technical assist-
21 ance, and containing such additional information as the
22 Commissioner may require.

23 “(e) PROHIBITION ON COMBINED FUNDS.—No funds
24 reserved by the Commissioner under this section may be
25 combined with funds appropriated under any other Act or

1 part of this Act if the purpose of combining funds is to
 2 make a single discretionary grant or a single discretionary
 3 payment, unless such funds appropriated under this chap-
 4 ter are separately identified in such grant or payment and
 5 are used for the purposes of this chapter.”.

6 **SEC. 490. PROGRAM OF GRANTS.**

7 Section 753 of the Rehabilitation Act of 1973, as re-
 8 designated by section 489, is amended—

9 (1) in subsection (g), by inserting “, or con-
 10 tracts with,” after “grants to”;

11 (2) by striking subsection (h);

12 (3) by redesignating subsections (i) and (j) as
 13 subsections (h) and (i), respectively;

14 (4) in subsection (b), by striking “section 753”
 15 and inserting “section 754”;

16 (5) in subsection (c)—

17 (A) in paragraph (1), by striking “section
 18 753” and inserting “section 754”; and

19 (B) in paragraph (2)—

20 (i) by striking “subsection (i)” and in-
 21 serting “subsection (h)”; and

22 (ii) by striking “subsection (j)” and
 23 inserting “subsection (i)”;

24 (6) in subsection (h), as redesignated by para-
 25 graph (3)—

1 (A) in paragraph (1), by striking “sub-
 2 section (j)(4)” and inserting “subsection
 3 (i)(4)”; and

4 (B) in paragraph (2)—

5 (i) in subparagraph (A)(vi), by adding
 6 “and” after the semicolon;

7 (ii) in subparagraph (B)(ii)(III), by
 8 striking “; and” and inserting a period;
 9 and

10 (iii) by striking subparagraph (C);
 11 and

12 (7) in subsection (i), as redesignated by para-
 13 graph (3)—

14 (A) by striking paragraph (2) and insert-
 15 ing the following:

16 “(2) MINIMUM ALLOTMENT.—

17 “(A) STATES.—In the case of the several
 18 States, the District of Columbia, and the Com-
 19 monwealth of Puerto Rico, the amount referred
 20 to in paragraph (1)(A) for a fiscal year is the
 21 greater of—

22 “(i) \$350,000;

23 “(ii) an amount equal to the amount
 24 the State, the District of Columbia, or the
 25 Commonwealth of Puerto Rico received to

1 carry out this chapter for fiscal year 2003;
 2 or

3 “(iii) an amount equal to $\frac{1}{3}$ of 1 per-
 4 cent of the amount appropriated under sec-
 5 tion 754, and not reserved under section
 6 752, for the fiscal year and available for
 7 allotments under subsection (a).

8 “(B) CERTAIN TERRITORIES.—In the case
 9 of Guam, American Samoa, the United States
 10 Virgin Islands, and the Commonwealth of the
 11 Northern Mariana Islands, the amount referred
 12 to in paragraph (1)(A) for a fiscal year is
 13 \$60,000.”;

14 (B) in paragraph (3)(A), by striking “sec-
 15 tion 753” and inserting “section 754, and not
 16 reserved under section 752,”; and

17 (C) in paragraph (4)(B)(i), by striking
 18 “subsection (i)” and inserting “subsection (h)”.

19 **SEC. 491. INDEPENDENT LIVING SERVICES FOR OLDER IN-**
 20 **DIVIDUALS WHO ARE BLIND AUTHORIZATION**
 21 **OF APPROPRIATIONS.**

22 Section 754 of the Rehabilitation Act of 1973, as re-
 23 designated by section 489, is amended by striking “fiscal
 24 years 1999 through 2003” and inserting “fiscal years
 25 2004 through 2009”.

1 **Subtitle H—Miscellaneous**

2 **SEC. 495. HELEN KELLER NATIONAL CENTER ACT.**

3 (a) GENERAL AUTHORIZATION OF APPROPRIA-
 4 TIONS.—The first sentence of section 205(a) of the Helen
 5 Keller National Center Act (29 U.S.C. 1904(a)) is amend-
 6 ed by striking “1999 through 2003” and inserting “2004
 7 through 2009”.

8 (b) HELEN KELLER NATIONAL CENTER FEDERAL
 9 ENDOWMENT FUND.—The first sentence of section
 10 208(h) of the Helen Keller National Center Act (29
 11 U.S.C. 1907(h)) is amended by striking “1999 through
 12 2003” and inserting “2004 through 2009”.

13 **TITLE V—TRANSITION AND** 14 **EFFECTIVE DATE**

15 **SEC. 501. TRANSITION PROVISIONS.**

16 The Secretary of Labor shall, at the discretion of the
 17 Secretary, take such actions as the Secretary determines
 18 to be appropriate to provide for the orderly implementa-
 19 tion of this Act.

20 **SEC. 502. EFFECTIVE DATE.**

21 Except as otherwise provided in this Act, this Act and
 22 the amendments made by this Act, shall take effect on
 23 the date of enactment of this Act.

○